



*Board of Trustees’
Audit and Finance Committee
Meeting Materials*

March 12, 2008

8:30 a.m.

The Rouse Company Foundation Student Services Hall

Room: 120B

GROUND RULES

1. Board members practice respectful dialogue that serves the best interests of the college.
2. Each board member works to integrate servant-leadership into the board culture.
3. Each board member has the opportunity to speak uninterrupted.
4. Board members come prepared – board chair needs to understand what is required and set time and material appropriately.
5. Board chair acts as caretaker for the board – acts as filter, evaluates agenda for time well spent.
6. Board chair speaks for the board to the media.
7. Consent materials are available 10 days in advance; remaining board materials are available seven days in advance.
8. Board members should route any requests for additional information to the board chair or the president at least two business days prior to the board meeting.

Howard Community College's *Dragon Principles*

We promise to help our students, employees, and community members "get there from here."

We pledge to...

Be friendly

Be helpful to our students and community

Be considerate of each other



And we pledge to...

Be Fiscally Responsible





**Board of Trustees
Audit & Finance Committee**

March 12, 2008

8:30 a.m.

The Rouse Company Foundation Student Services Hall
Room 120B

1. **Interview with Potential Audit Firm**
2. **Quarterly Sole Source Vendors Report**
(October 1, 2007 – December 31, 2007)
3. **Semi-Annual Non-Purchasing Agreement Disclosure**
(July 1, 2007 – December 31, 2007)
4. **Audit Areas for Review**
5. **Committee of Sponsoring Organizations (COSO) Internal Control Checklist Items**
6. **Waiver of Application Fee for Police Recruits**
7. **Outstanding College Debt**
8. **Other**

The next meeting of the audit and finance committee is scheduled for May 14, 2008.

1 – Interview with Potential Audit Firm

Background: The college requested proposals for the audit of the college and foundation financial statements and college enrollment reports required under Maryland Higher Education Commission (MHEC) and federal guidelines.

Four proposals were received on February 21, 2008, as follows:

Clifton Gunderson LLP
SB & Company, LLC
SC&H Group, LLC
McGladrey and Pullen, LLP

However, since McGladrey and Pullen, LLP did not complete page two of the price proposal sheets, only three firms could be considered.

Current college policy, 62.03 – External Auditor, states, “The college shall bid for services every three years and have the option to extend the bid for two additional years. However, the contract with the audit firm can only be one fiscal year at a time. The board, by resolution, will award the contract for one fiscal year and will reauthorize the president to extend the contract one fiscal year at a time for four additional years provided that funds have been authorized, the quality of past services have been acceptable to the college and the fee for the extended contract is considered reasonable by the college. If the firm is retained longer than three years the lead/coordinating and reviewing partners shall remove themselves from the audit team for two years.”

Based on past practice, the audit and finance committee would normally interview the top two firms and make a recommendation to the full board of which firm it would like to select.

SB & Company and Clifton Gunderson were the two lowest bidders. Since Clifton Gunderson has audited the college in prior years and the board is familiar with the firm, the suggestion was made to only interview SB & Company, but consider both firms in the audit and finance committee’s deliberations. Members of SB & Company will attend the audit and finance committee on March 12, 2008. The audit firm is scheduled to arrive at 8:45 am. This timing will give the administration a few minutes between 8:30 and 8:45 am to review information with the committee prior to the interview.

Following this item are several questions the committee may want to consider asking the firm.

Purpose: To select a certified public accountant to recommend to the full board to award the audit contract for one year. If the quality of services is acceptable to the college and the fee for the extended contract is considered reasonable by the college, the college may ask the board to approve the audit firm for four additional years annually.

Timeline: FY08

Specifications: The firm selected will perform the following services:

- College financial statement audit
- College CC-4 (enrollment data) audit
- Single Audit – A-133 (federal audit of grant awards)
- Audit of our IPT funds (state matching grant)
- Audit of our College of the Air – Maryland Public Television Usage
- Indirect Cost Rate audit for federal grants
- College tax return (if needed)
- Foundation audit
- Foundation tax and personal property returns

Bids:

Firm	College Year 1	Foundation Year 1	College Cumulative 5 Years	Foundation Cumulative 5 Years
SB & Company, LLC	32,400	3,300	175,490	17,874
Clifton Gunderson LLP	49,690	9,680	277,330	53,485
SC&H Group, LLC	62,700	26,200	324,900	133,400

◆————— **Recommendation** —————◆

The administration recommends that the audit and finance committee interview SB & Company, LLC and make a decision on the firm to recommend to the full board. This decision will go before the board for approval at the March 26, 2008, meeting.

POSSIBLE QUESTIONS FOR THE AUDITORS

1. Please highlight your firm's background, its experience in higher education, and the individuals who will be assigned to the college's audit. Please include a description of the continuing education training that they receive.
2. Please discuss the timeline you perceive for the audit. Include in this timeline any meetings that you would recommend with the audit and finance committee.
3. Please describe your firm's philosophy about the management letter and how it is disseminated and used.
4. In the past, the audit and finance committee has asked the audit firm to look at a particular area as part of the audit review. Please discuss any issues you see with this process. (For example, as part of the review, let the audit and finance committee know if there are any issues related to the college's cash receipt processes that it should be concerned about.)
5. SAS 112 will have an impact on your audit. Please give the audit and finance committee your overview of this standard and how the college audit will be impacted by it.

2 – Quarterly Sole Source Report

Background: At its August 25, 1999, meeting, the board of trustees approved the delegation of authority to the president to approve sole source contracts under \$25,000. All sole source contracts approved by the president will be disclosed to the board on a quarterly basis.

The terminology listed under rationale has been standardized as follows:

- a. Timetable – emergency procurement or year-end procurement. These items will be disclosed at next available board meeting. The list will include true emergency repairs and the last quarterly report for the year will include year-end items.
- b. Unique Knowledge – this designation will be used for consulting contracts where long term expertise is necessary and/or specialized services are being provided.
- c. Proprietary Vendor – this category will be used for software and hardware maintenance agreements and/or license fees that can only be paid to the original supplier of goods or services.
- d. Compatibility – will be used for goods that must be used with existing college furniture/equipment.
- e. Specific Publisher – will indicate any book or instructional supplier of patented/copyrighted or exclusive distribution rights that had to be paid.
- f. Board approved – will represent a payment/purchase order that the board has expressly authorized that does not fit within one of the aforementioned categories and has not been through the quote or bid process.

Items included on reports in the past such as payments to governmental agencies and/or employee benefit payments, have been removed if the item was a repayment, governmental obligation or item previously approved by the board as a result of quotes or bid submissions.

Purpose: To disclose sole source purchases.

Timeline: October 1, 2007 – December 31, 2007

◆————— Recommendation —————◆

The quarterly sole source report is an information item and does not require committee or board action.

Compliance: The quarterly sole source report is in compliance with college procedure, Purchasing – 62.05.01.

Sole Source Report

2nd Quarter Summary for the Period of October - December 2007

Vendor Name	Description	Amount	Approval BOT	Approval PRES	Approval VP/CCM	Rationale
Apple Computer	iMac computer equipment	\$ 9,492.00			X	Proprietary Vendor
* Cengage Learning (Thomson Learning)	Books/Supplies for Resale in the Bookstore	\$ 31,858.27			X	Specific Publisher
Clair Zamoiski Segal, Inc.	Consulting Services Rep Stage	\$ 9,750.00			X	Unique Knowledge
Comm Col Survey Student Engagement	CCSSE Survey Spring 2008	\$ 5,270.00			X	Proprietary Vendor
Concept Media	Instructional DVDs	\$ 5,590.70			X	Proprietary Vendor
Datatel	Active Campus/Base System/Major Donors Systems	\$ 47,725.00	X	X	X	Proprietary Vendor
Douglas Stewart	Books/Supplies for Resale in the Bookstore	\$ 9,009.21			X	Specific Publisher
EMC/Paradigm Publishing	Books/Supplies for Resale in the Bookstore	\$ 6,729.69			X	Specific Publisher
Global Services	Emergency Staff (3rd shift housekeeping) Prior to Bid	\$ 14,950.00			X	Time Frame
Gordon Feinblatt Rothman	Legal Services	\$ 12,119.30			X	Unique Knowledge
Guidance Software	EnCase Enterprise Licenses	\$ 7,700.00			X	Proprietary Vendor
H & H Industries	Emergency Staff (3rd shift housekeeping) Prior to Bid	\$ 14,950.00			X	Time Frame
HCC Educational Foundation	Reim Foundation for Legal Services	\$ 6,223.28			X	Unique Knowledge
Houghton Mifflin	Books/Supplies for Resale in the Bookstore	\$ 7,566.33			X	Specific Publisher
Idea Center Inc	IDEA Test Forms and Processing Costs	\$ 9,000.00			X	Proprietary Vendor
* John Wiley & Sons	Books/Supplies for Resale in the Bookstore	\$ 19,934.73			X	Specific Publisher
McGraw Hill / Osborne Media	Books/Supplies for Resale in the Bookstore & ConEd Classes	\$ 10,212.00			X	Specific Publisher
MPS	Books/Supplies for Resale in the Bookstore	\$ 5,369.83			X	Specific Publisher
NCS Pearson Inc	Insight OMR Scanner and Scantools Software	\$ 5,170.00			X	Proprietary Vendor
* Pearson Education	Books/Supplies for Resale in the Bookstore & ConEd Classes	\$ 15,464.40			X	Specific Publisher
PeopleAdmin Inc	Annual Maintenance Fees - Human Resources System	\$ 15,000.00			X	Proprietary Vendor
Perceptive Software Inc.	Annual Maintenance Fees	\$ 12,994.20			X	Proprietary Vendor
* Quant Systems / Hawkes Learning Sys	Books/Supplies for Resale in the Bookstore	\$ 27,345.23			X	Specific Publisher
Serverlift	Server Lift - SL500	\$ 6,396.00			X	Proprietary Vendor
Siemens Building Tech	Fire Alarm Testing & Inspection	\$ 16,896.00		X	X	Proprietary Vendor
SIGMAnet	Cisco Systems	\$ 7,591.10			X	Proprietary Vendor
Systems Alliance	SiteExecutive Maintenance Fees	\$ 17,700.00		X	X	Proprietary Vendor
Tempo Bookstore	Books/Supplies ConEd Classes	\$ 7,669.00			X	Specific Publisher
* United States Postal Service	Postage	\$ 46,557.75		X	X	Proprietary Vendor - Government
* Multiple Orders						
	Total	412,234.02				

3 – Semi-Annual Non-Purchasing Agreement Disclosure

Background: At the December 16, 1998, meeting of the board of trustees, a resolution was passed delegating to the administration the authority to sign non-purchasing agreements via a signature authority matrix (see addendum A). In the same resolution, it was promised that the administration would disclose to the board of trustees all such agreements twice a year. This report (addendum B) covers those agreements signed by authorized college staff.

Purpose: To disclose signed non-purchasing agreements

Timeline: July 1, 2007 – December 31, 2007

◆———— Recommendation ———◆

This item is for information only and does not require committee or board action.

Compliance: The non-purchasing agreement disclosure is in compliance with college procedure, Contract Approval and Administration – 62.08.01.

Non-Purchasing Signature Authority Matrix
Contracts/Agreements/Grants

Executive Directors Directors Division Chairs	Director of Board Relations/ Special Projects	Associate VP ConEd & W/D Exec Director of W/D	VPAA	VPAF	VPSS	VPIT	President or designee	Board of Trustees	Office of Record
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EXTERNAL ARRANGEMENTS

Agreements with hospitals for use of clinical sites	R*	-	R**	A	R	-	-	D	D	ST149 or ConEd**
Articulation of credit courses with other institutions/agencies	R	-	-	R	-	R		A	D	VPAA
Agreements that lead to certain purchasing agreements: Actor's Equity	R	-	-	A*	R	A*	A*	D	D	Office of Origin
Con Ed contracts to offer or receive courses, programs, services for:										
• 0-\$15,000	R	-	A	D	-	-	-	D	D	ConEd
• \$15,001-\$24,999	R	-	R	R	-	-	-	A	D	ConEd, VPAA
• \$25,000-up	R	-	R	R	R	-	-	R	A	ConEd, President
Business Training Center contracts to offer or receive courses, programs, services for:										
• 0-\$15,000	A^	-	A	D	-	-	-	D	D	ConEd
• \$15,001-\$24,999	R	-	R	R	-	-	-	A	D	ConEd, VPAA
• \$25,000-up	R	-	R	R	R	-	-	R	A	ConEd, President
All other contracts to offer or receive courses, programs, services for:										
• 0-\$15,000	R	A*	-	A*	A*	A*	A*	-	D	Office of Origin
• \$15,001-\$24,999	R		-	R*	R*	R*	R*	A	D	VP
• \$25,000-up	R		-	R*	R	R*	R*	R	A	President
Facility Use (& Gateway "rentals") Levels of Insurance Liability (per event):										
Less than 500 people	A^, R	A*	A	A*	R	A*	A*	-	-	Office of Origin
Over 500 people	R		R**	-	R	-	-	A	D	President
Art Facility Rental (<500)	A	-	-	D	-	-				
Youth Programs – Academic	R	-	R**	A	R	-	-	D	-	VPAA

Addendum A

	Executive Directors Directors Division Chairs	Director of Board Relations/ Special Projects	Associate VP ConEd & W/D Exec Director of W/D	VPAA	VPAF	VPSS	VPIT	President or designee	Board of Trustees	Office of Record
Affairs										
Youth Programs – Student Support	R	-	-	-	R	A	-	D	-	VPSS
Auxiliary Service (Sodexo)	R	-	-	-	R	R	R	A	-	VPAF
Placement of Students Agreements	R	-	-	A	-	-	-	-	-	VPAA
Other Academic Agreements	R	-	-	A	-	-	-	-	-	VPSS
Test Center Agreement	R	-	-	-	-	A	-	D	-	VPSS

INTERNAL ARRANGEMENTS

Negotiated Intellectual Property Agreements:										
• 0-\$15,000	R	-	-	R*	R*	R*	R*	R	A	Office of Origin
• \$15,001-\$24,999	R	-	-	R*	R*	R*	R*	R	A	VP
• \$25,000-up	R	-	-	R*	R	R*	R*	R	A	President or designee

* = Supervisor of the area that generated the agreement

** = Continuing Education or Workforce Development activity

^ = Executive Director of Workforce Development only

^^ = Executive Director of Workforce Development only for Gateway Operations

^^^ = Executive Directors only

= The Business Office retains copies of any contract involving the expenditure of HCC funds

Note: The responsibility for managing the agreement rests with the Executive Director/Director/Division Chair Level

A = Approve

D = Disclose

R = Review

Key:

VPAA = Vice President of Academic Affairs

VPAF = Vice President of Administration and Finance

VPIT = Vice President of Information Technology

VPSS = Vice President of Student Services

Addendum A

Contract/Agreement/Name	Originator	Reviewed by:	Approved By:	Date Approved:
Academic Affairs				
Smith Theatre Facilities Use Agreements				
American Tamil Association (2)*	J. Broderick	V. Lash	V. Lash	07/26/07
Arabesque Dance Studio (5)*	J. Broderick	V. Lash	V. Lash	12/05/07
Candlelight Concert Series (14)*	J. Broderick	V. Lash	V. Lash	09/05/07
Columbia Film Society (10)*	J. Broderick	V. Lash	V. Lash	08/29/07
Columbia Center for Theatrical Arts (11)*	J. Broderick	V. Lash	V. Lash	10/04/07
The Columbia Orchestra (15)*	J. Broderick	V. Lash	V. Lash	08/27/07
Dance Foundations (4)*	J. Broderick	V. Lash	V. Lash	12/12/07
DeVe's Christian School of Performing Arts (3)*	J. Broderick	V. Lash	V. Lash	08/08/07
Patuxent Youth Ballet (3)*	J. Broderick	V. Lash	V. Lash	11/15/07
Prem Dance (1)*	J. Broderick	V. Lash	V. Lash	09/12/07
Nursing				
Howard County Fire & Rescue (EMT)	S. Pierce	L. Coleman	R. Roberson	09/14/07
Washington Heart @ Washington Hospital Center (CVT accelerated)	S. Pierce		R. Roberson	08/23/07
Johns Hopkins Home Care Group, Inc (Home Care-new)	S. Pierce	L. Coleman	R. Roberson	07/23/07
Medstar Health, Visiting Nurse Association	S. Pierce	L. Coleman	R. Roberson	08/28/07
Potomac Ridge Behavioral Health Center	S. Pierce	renew	R. Roberson	08/13/07
Holy Cross Hospital (Nursing & CVT)	S. Pierce	renew	R. Roberson	07/09/07
Riderwood Village	S. Pierce	L. Coleman	R. Roberson	08/07/07
George Washington University Hospital (CVT)	S. Pierce	L. Coleman	R. Roberson	08/07/07
Mercy Medical Center (Nursing & EMT)	S. Pierce	renew	R. Roberson	08/21/07
St. Elizabeth Rehabilitation & Nursing Center	S. Pierce	renew	R. Roberson	07/03/07
Washington Adventist Hospital (CVT)	S. Pierce	L. Coleman	R. Roberson	08/13/07
Professional Healthcare Resources (formerly St Agnes Homecare)	S. Pierce	L. Coleman	R. Roberson	08/23/07
UMMS (CVT)	S. Pierce	L. Coleman	R. Roberson	09/14/07
AMI Cardiac Monitoring , INC (CVT)	S. Pierce	renew	R. Roberson	08/21/07
Shady Grove Adventist Hospital(CVT)	S. Pierce	L. Coleman	R. Roberson	09/28/07
St Agnes Healthcare (New Rad Tech program)	S. Pierce	L. Coleman	S. Horvath for R. Roberson	10/05/07
Suburban Hospital Healthcare System (CVT)	S. Pierce	renew	R. Roberson	10/30/07
James Lawrence Kernan Hospital (New Rad Tech program)	S. Pierce	L. Coleman	R. Roberson	12/12/07
Con. Ed. Room Service Agreements (facilities use agreements)				
American Society for Quality-Dinner December	S. Miller	P. Keeton	P. Keeton	10/04/07
American Society for Quality-Dinner October	S. Miller	P. Keeton	P. Keeton	10/04/07
Brittenford Systems--Dynamics GP Bootcamp	S. Miller	P. Keeton	P. Keeton	08/10/07
Brittenford Systems-Dynamics SL Boot Camp October	S. Miller	P. Keeton	P. Keeton	10/08/07
Brittenford Systems--Dynamics SL General Ledger and Accounts Payable	S. Miller	P. Keeton	P. Keeton	09/18/07
Brittenford Systems-FRX Advanced	S. Miller	P. Keeton	P. Keeton	08/23/07
Brittenford Systems-FRX Basics	S. Miller	P. Keeton	P. Keeton	08/23/07

*number in parentheses indicates number of uses covered by agreement

Contract/Agreement/Name	Originator	Reviewed by:	Approved By:	Date Approved:
Brittenford Systems-GP Foundation 1	S. Miller	P. Keeton	P. Keeton	08/23/07
Britttenford Systems-Dynamics GP Boot Camp	S. Miller	P. Keeton	P. Keeton	08/23/07
Britttenford Systems-GP Fixed Assets	S. Miller	P. Keeton	P. Keeton	07/03/07
Britttenford Systems-GP Foundation 2	S. Miller	P. Keeton	P. Keeton	07/19/07
CMAP-Meeting	S. Miller	P. Keeton	P. Keeton	12/05/07
CMAP-User Group Meeting	S. Miller	P. Keeton	P. Keeton	07/11/07
Coalition for Housing for Persons with Disabilities - Meeting September	S. Miller	P. Keeton	P. Keeton	09/25/07
Community Hospice of Washington-ELNEC January 2008	S. Miller	P. Keeton	P. Keeton	11/19/07
Community Hospice of Washington--ELNEC Training	S. Miller	P. Keeton	P. Keeton	07/25/07
Community Hospice of Washington--ELNEC Training September	S. Miller	P. Keeton	P. Keeton	09/14/07
Daimler-Chrysler Financial Services-Building Dealer Relationships November	S. Miller	P. Keeton	P. Keeton	08/17/07
DP Solutions-DP Network Securities Nov. 1	S. Miller	P. Keeton	P. Keeton	08/06/07
DP Solutions-DP Network Securities Nov. 7	S. Miller	P. Keeton	P. Keeton	10/17/07
DP Solutions-DP Network Securities Oct. 17	S. Miller	P. Keeton	P. Keeton	10/02/07
DP Solutions-eVault Seminar February	S. Miller	P. Keeton	P. Keeton	12/08/07
Dragon Development Corporation-AmberPoint Class	S. Miller	P. Keeton	P. Keeton	07/03/07
Dream Team Travel-Training December	S. Miller	P. Keeton	P. Keeton	11/21/07
Dream Team Travel-Training February	S. Miller	P. Keeton	P. Keeton	11/16/07
Dream Team Travel-Training January	S. Miller	P. Keeton	P. Keeton	11/21/07
Dream Team Travel-Training March	S. Miller	P. Keeton	P. Keeton	11/21/07
Dream Team--Travel Training November	S. Miller	P. Keeton	P. Keeton	09/04/07
Dream Team--Travel Training October	S. Miller	P. Keeton	P. Keeton	10/05/07
EDO-EVI-Quarterly Meeting Sept. 7	S. Miller	P. Keeton	P. Keeton	07/25/07
Financially Strong America--Home Buyers Seminar	S. Miller	P. Keeton	P. Keeton	07/25/07
Financially Strong America--Home Buyers Seminar November 2007	S. Miller	P. Keeton	P. Keeton	10/25/07
General Physics Corp--Energy Services Annual Meeting	S. Miller	P. Keeton	P. Keeton	10/16/07
Harbor Hospital--Latest Techniques in Knee Replacement with Doctor Wood	S. Miller	P. Keeton	P. Keeton	10/04/07
Harbor Hospital--Osteo-arthritis with Doctor Dalal	S. Miller	P. Keeton	P. Keeton	08/15/07
Harbor Hospital-Stress Reduction Workshop	S. Miller	P. Keeton	P. Keeton	11/14/07
Harbor Hospital--Total Joint Tuesday with Doctor Wood	S. Miller	P. Keeton	P. Keeton	07/19/07
Horizon Foundation--Horizon Council November	S. Miller	P. Keeton	P. Keeton	07/30/07
Horizon Foundation--Horizon Help, ACS Training December	S. Miller	P. Keeton	P. Keeton	07/02/07
Howard County Housing & Community Development-Dept. of Housing-Microsoft Skills Refresher	S. Miller	P. Keeton	P. Keeton	09/27/07
Independence Now-YLF Reunion January	S. Miller	P. Keeton	P. Keeton	10/04/07
Johnson Transportation--CDL Training Class	S. Miller	P. Keeton	P. Keeton	11/05/07
KPE Models-Workshop	S. Miller	P. Keeton	P. Keeton	10/12/07
Lowe's Home Improvement-meeting	S. Miller	P. Keeton	P. Keeton	10/04/07

Contract/Agreement/Name	Originator	Reviewed by:	Approved By:	Date Approved:
Maryland Association of Non Profits--Financial Literacy	S. Miller	P. Keeton	P. Keeton	10/05/07
MD Association of Non Profits-Corporate Solicitation	S. Miller	P. Keeton	P. Keeton	11/19/07
MD Association of Non Profits-Employee Benefit Plans: Without Compliance, There Is No Benefit! October	S. Miller	P. Keeton	P. Keeton	10/11/07
MD Association of Non Profits-Financial Literacy	S. Miller	P. Keeton	P. Keeton	10/30/07
MD State Attorneys Association--Training Program	S. Miller	P. Keeton	P. Keeton	07/03/07
MD State Highway Administration-Advanced Leadership Program	S. Miller	P. Keeton	P. Keeton	11/28/07
MD State Highway Administration--New Supervisors Training Program	S. Miller	P. Keeton	P. Keeton	11/29/07
MD State Highway Administration-OEO Retreat	S. Miller	P. Keeton	P. Keeton	11/02/07
MD State Highway Administration--Recognition Ceremony	S. Miller	P. Keeton	P. Keeton	09/06/07
MedStar Health Corporate--MedStar Lab Pharmacy Group	S. Miller	P. Keeton	P. Keeton	11/14/07
MedStar Health Corporate--MedStar Nursing Group	S. Miller	P. Keeton	P. Keeton	11/14/07
MedStar Health Corporate--Performance Improvement Retreat November	S. Miller	P. Keeton	P. Keeton	10/04/07
MICPEL (Maryland Institute for Continuing Professional Education of Lawyers) --Advance Elder Law Institute	S. Miller	P. Keeton	P. Keeton	07/11/07
MICPEL (Maryland Institute for Continuing Professional Education of Lawyers) --Advanced Consumer Bankruptcy Institute	S. Miller	P. Keeton	P. Keeton	07/02/07
MICPEL (Maryland Institute for Continuing Professional Education of Lawyers) --Advanced Consumer Bankruptcy Institute November	S. Miller	P. Keeton	P. Keeton	08/10/07
MICPEL (Maryland Institute for Continuing Professional Education of Lawyers) --Advanced Elder Law Institute	S. Miller	P. Keeton	P. Keeton	12/05/07
MICPEL (Maryland Institute for Continuing Professional Education of Lawyers) --Asset Protection	S. Miller	P. Keeton	P. Keeton	07/09/07
MICPEL (Maryland Institute for Continuing Professional Education of Lawyers) --Bar Wars: The Client Strikes Back!	S. Miller	P. Keeton	P. Keeton	10/04/07
MICPEL (Maryland Institute for Continuing Professional Education of Lawyers) --Criminal Law Update	S. Miller	P. Keeton	P. Keeton	08/06/07
MICPEL (Maryland Institute for Continuing Professional Education of Lawyers) --Debt Collection	S. Miller	P. Keeton	P. Keeton	07/03/07
MICPEL (Maryland Institute for Continuing Professional Education of Lawyers) --Debt Collection February 2008	S. Miller	P. Keeton	P. Keeton	10/30/07
MICPEL (Maryland Institute for Continuing Professional Education of Lawyers) --Elder Abuse	S. Miller	P. Keeton	P. Keeton	10/30/07
MICPEL (Maryland Institute for Continuing Professional Education of Lawyers) --Elder Law 202	S. Miller	P. Keeton	P. Keeton	10/11/07
MICPEL (Maryland Institute for Continuing Professional Education of Lawyers) --Essentials of Maryland Practice	S. Miller	P. Keeton	P. Keeton	09/26/07
MICPEL (Maryland Institute for Continuing Professional Education of Lawyers) --Insurance Law	S. Miller	P. Keeton	P. Keeton	08/13/07
MICPEL (Maryland Institute for Continuing Professional Education of Lawyers) --Practicing Before EEOC Agencies	S. Miller	P. Keeton	P. Keeton	10/04/07

Contract/Agreement/Name	Originator	Reviewed by:	Approved By:	Date Approved:
MICPEL (Maryland Institute for Continuing Professional Education of Lawyers) --Representing Children in Custody Cases in Maryland	S. Miller	P. Keeton	P. Keeton	09/10/07
MICPEL (Maryland Institute for Continuing Professional Education of Lawyers) --Securities Law	S. Miller	P. Keeton	P. Keeton	07/17/07
MICPEL (Maryland Institute for Continuing Professional Education of Lawyers) --Small Business Institute	S. Miller	P. Keeton	P. Keeton	12/10/07
MICPEL (Maryland Institute for Continuing Professional Education of Lawyers) --Winning Through Discovery in Employment Discrimination Cases	S. Miller	P. Keeton	P. Keeton	09/17/07
MICPEL (Maryland Institute for Continuing Professional Education of Lawyers) --State and Local Government Institute	S. Miller	P. Keeton	P. Keeton	12/18/07
MICPEL (Maryland Institute for Continuing Professional Education of Lawyers) International Commercial Transactions	S. Miller	P. Keeton	P. Keeton	12/18/07
Mid-Atlantic Business Group--Meeting	S. Miller	P. Keeton	P. Keeton	10/16/07
Prism Communications--Staff Presentations Day	S. Miller	P. Keeton	P. Keeton	08/17/07
PVA, Inc.-Vital QIP Training	S. Miller	P. Keeton	P. Keeton	09/06/07
QAI-ISO 9000 Training August	S. Miller	P. Keeton	P. Keeton	07/31/07
QAI-ISO 9000 Training October	S. Miller	P. Keeton	P. Keeton	09/06/07
Retirement Living--Rights Management	S. Miller	P. Keeton	P. Keeton	11/30/07
Retirement Living-Staff Meeting August 14	S. Miller	P. Keeton	P. Keeton	07/09/07
Retirement Living--Staff Meeting November 13	S. Miller	P. Keeton	P. Keeton	11/06/07
Retirement Living--Staff Meeting November 27	S. Miller	P. Keeton	P. Keeton	11/26/07
Retirement Living--Staff Meeting October	S. Miller	P. Keeton	P. Keeton	08/14/07
Retirement Living--Staff Meeting September	S. Miller	P. Keeton	P. Keeton	09/11/07
Structural Systems, Inc.--Engineered Wood Products Training	S. Miller	P. Keeton	P. Keeton	10/25/07
T-COM-Strategic Planning Meeting	S. Miller	P. Keeton	P. Keeton	11/06/07
U. S. Attorney's Office--ATAC Plenary Group	S. Miller	P. Keeton	P. Keeton	10/29/07
UPP-YTB Training	S. Miller	P. Keeton	P. Keeton	11/01/07
Weinstock, Friedman & Friedman-Legal Business Basics Oct. 27	S. Miller	P. Keeton	P. Keeton	10/25/07
Weinstock, Friedman & Friedman-Legal Business Basics Seminar Sept 8	S. Miller	P. Keeton	P. Keeton	10/30/07
WR Grace-Retreat	S. Miller	P. Keeton	P. Keeton	11/06/07
WR Grace---Sales Meeting	S. Miller	P. Keeton	P. Keeton	10/25/07
YTB Executive Group Power Team--Unified Teams	S. Miller	P. Keeton	P. Keeton	12/05/07
Richmond American Homes of Maryland-Sales Meeting	S. Miller	P. Keeton	P. Keeton	12/19/07
Continuing Education and Workforce Development Contracts				
American Association of Homes and Services for the Aging--October	R. Farrar	J. Hawkins	J. Hawkins	09/19/07
Bain Center Foundation--Class "1776"	L. Evans	P. Keeton	P. Keeton	08/27/07
Bell Nursery-English As a Second Language for the Workplace	R. Farrar	J. Hawkins	J. Hawkins	10/04/07

Contract/Agreement/Name	Originator	Reviewed by:	Approved By:	Date Approved:
Building Specs Inc--Series of class approved by Maryland Commission of Real Estate Appraisal and Home Inspection	M. Estes	J. Hawkins	J. Hawkins	07/09/07
Building Specs Inc--Series of class approved by Maryland Commission of Real Estate Appraisal and Home Inspection				
Columbia Academy LLC, --Communicating with Purpose: Parent	M. Estes	J. Hawkins	J. Hawkins	12/11/07
Columbia Academy Preschool, LLC-Chide Care Certification I & II	S. Baum	J. Hawkins	J. Hawkins	07/01/07
Computer Tots/Computer Explorers-4 computer classes for Kids on Campus	C. Pavlovsky	J. Hawkins	J. Hawkins	07/03/07
CVS Regional Office-CPR	C. Pavlovsky	J. Hawkins	J. Hawkins	07/05/07
EverCare Hospice-CPR July	C. Pavlovsky	J. Hawkins	J. Hawkins	08/30/07
EverCare Hospice--CPR Adult Heartsaver September	C. Pavlovsky	J. Hawkins	J. Hawkins	08/30/07
EverCare Hospice-CPR Sept.	K. Jones	J. Hawkins	J. Hawkins	09/21/07
Greater Laurel Health & Rehab Center--Clinical Experience	M. Cangiano	J. Hawkins	J. Hawkins	08/09/07
Harford Community College-Real Estate Investing	R. Farrar	J. Hawkins	J. Hawkins	09/20/07
Homes for Life Coalition--An Overview of Home Modifications Across the Lifespan	M. Estes	J. Hawkins	J. Hawkins	07/09/07
Homes for Life Coalition--An Overview of Home Modifications Across the Lifespan March 2008	R. Farrar	J. Hawkins	J. Hawkins	09/20/07
Howard County Dept. of Recreation & Parks-Child Care I & II	R. Farrar	J. Hawkins	J. Hawkins	09/28/07
Howard County Dept. of Recreation & Parks-Music and the Sea	S. DeLaney	J. Hawkins	K. Hetherington	07/02/07
Howard County Fire & Rescue-Elementary Spanish	M. Estes	J. Hawkins	J. Hawkins	07/23/07
Howard County Office of Children's Services-Child Care Directors Conference	M. Estes	J. Hawkins	J. Hawkins	08/09/07
Howard County Office of Children's Services--Maryland Model for School Readiness	M. Estes	J. Hawkins	J. Hawkins	08/09/07
Howard County Office of Children's Services-Maryland Model for School Readiness; Child Development Associate Prep; Family Child Care Provider	M. Estes	J. Hawkins	J. Hawkins	07/03/07
Howard County Office of Children's Services-Professionalism in Family Child Care	P. Keeton	J. Hawkins	J. Hawkins	07/17/07
Howard County Police Dept-Review of Respectful Workplace Policies & Procedures	R. Farrar	J. Hawkins	J. Hawkins	09/07/07
Howard County Public School System--Communicating & Listening	S. Hornak	P. Keeton	P. Keeton	11/10/07
Howard County Public School System--Leadership Skills	S. Hornak	P. Keeton	P. Keeton	10/29/07
Korean Resource Center--English as a Second Language Courses	M. Estes	J. Hawkins	J. Hawkins	10/11/07
Love of Learning Montessori School-Communicating with Purpose: Parent Communication	S. Hornak	P. Keeton	P. Keeton	10/03/07
Maryland Motor Vehicle Administration--Motorcycle Safety Program	J. Schmidt	P. Keeton	P. Keeton	12/11/07
Maryland Dept of Transportation, State Highway Administration--Customer Relations for Supervisors	S. Hornak	P. Keeton	P. Keeton	09/27/07

Contract/Agreement/Name	Originator	Reviewed by:	Approved By:	Date Approved:
Maryland Dept of Transportation, State Highway Administration--Effective Communication October	S. Hornak	P. Keeton	P. Keeton	08/16/07
Maryland Dept of Transportation, State Highway Administration--Effective Communication September	S. Hornak	P. Keeton	P. Keeton	08/30/07
Maryland Dept of Transportation, State Highway Administration--Effective Presentation Skills	S. Hornak	P. Keeton	P. Keeton	10/03/07
Maryland Dept of Transportation, State Highway Administration--Interpersonal Skills	S. Hornak	P. Keeton	P. Keeton	10/11/07
Maryland Dept of Transportation, State Highway Administration--Interviewing Skills	S. Hornak	P. Keeton	P. Keeton	10/03/07
Maryland Dept of Transportation, State Highway Administration--Leading Teams	S. Hornak	P. Keeton	P. Keeton	09/05/07
Maryland Dept of Transportation, State Highway Administration--Managing Multiple Priorities	S. Hornak	P. Keeton	P. Keeton	10/11/07
Maryland Dept of Transportation, State Highway Administration--Mastering Meetings	S. Hornak	P. Keeton	P. Keeton	09/28/07
Maryland Dept of Transportation, State Highway Administration--Performance Planning and Review	S. Hornak	P. Keeton	P. Keeton	10/11/07
Maryland Dept of Transportation, State Highway Administration--Situational Leadership	K. Jones	J. Hawkins	J. Hawkins	07/01/07
Maryland Dept. of Health & Mental Hygiene Office Of Preparedness and Response--2007 Annual Preparedness Update	K. Jones	J. Hawkins	BOT	11/12/07
Maryland Dept. of Health & Mental Hygiene Community Health Administration, Office of Epidemiology & Disease Control-Epidemiology & Disease Control Prevention Training Program--2nd year of 3 year agreement	S. DeLaney	J. Hawkins	J. Hawkins	07/17/07
Maryland Dept. of Health & Mental Hygiene Division of Tuberculosis Control-Annual TB Update	S. DeLaney	J. Hawkins	J. Hawkins	07/19/07
Maryland Dept. of Health & Mental Hygiene Division of Tuberculosis Control-Pandemic Influenza	S. DeLaney	J. Hawkins	J. Hawkins	10/16/07
Maryland Dept. of Health & Mental Hygiene Division, Epidemiology and Disease Control Program--Effective TB Interviews & Contact Investigation	K. Jones	J. Hawkins	J. Hawkins	09/12/07
Maryland Dept. of Health & Mental Hygiene Division, Office of Preparedness	K. Jones	J. Hawkins	J. Hawkins	09/12/07
Maryland Dept. of Health & Mental Hygiene Division, Office of Preparedness and Response--Mass Prophylaxis and Planning October	K. Jones	J. Hawkins	J. Hawkins	09/11/07
Maryland Dept. of Health & Mental Hygiene Division, Office of Preparedness and Response--Mass Prophylaxis and Planning September	S. DeLaney	J. Hawkins	J. Hawkins	09/24/07
Maryland Dept. of Health & Mental Hygiene Division, Training Services Division--Health Care Provider, CPR	S. DeLaney	J. Hawkins	J. Hawkins	07/18/07
Maryland Dept. of Health & Mental Hygiene Epidemiology and Disease Control Prevention Program--Tuberculin Skin Test Training	K. Jones	J. Hawkins	J. Hawkins	08/08/09

Contract/Agreement/Name	Originator	Reviewed by:	Approved By:	Date Approved:
Maryland Dept. of Health & Mental Hygiene Sexually Transmitted Disease Programs-Advanced STD Training	K. Jones	J. Hawkins	J. Hawkins	09/18/07
Maryland Dept. of Health & Mental Hygiene, Community Health Administration--Epidemiology & Disease Control Prevention Training Program (2nd year)	K. Jones	J. Hawkins	J. Hawkins	08/28/07
Maryland Dept. of Health & Mental Hygiene, Developmental Disabilities Administration-Housing 101	S. DeLaney	J. Hawkins	J. Hawkins	07/02/07
Maryland Dept. of Health & Mental Hygiene, Developmental Disabilities Administration-RN Delegating/Case Manager Orientation	K. Jones	J. Hawkins	J. Hawkins	09/06/07
Maryland Dept. of Health & Mental Hygiene, Office of Epidemiology & Disease Control Programs--Communicable Disease Update 2007	S. DeLaney	J. Hawkins	J. Hawkins	11/26/07
Maryland Dept. of Health & Mental Hygiene, Office of Preparedness and Response--Public Health Training (renewal)	K. Jones	J. Hawkins	J. Hawkins	08/30/07
Maryland Dept. Of Health & Mental Hygiene, Sexually Transmitted Disease Program-Advanced STD Intervention	K. Jones	J. Hawkins	J. Hawkins	10/09/07
Maryland Dept. of Health & Mental Hygiene, Training Services Division--Master Trainer Recertification for the Prevention & Management of Aggressive Behavior	S. Hornak	P. Keeton	P. Keeton	08/16/07
Maryland Dept. of Highway Administration-Effective Communication Sept. 19	S. Hornak	P. Keeton	P. Keeton	07/20/07
Maryland Dept. of Transportation, State Highway Administration Training & Development--Mastering Meetings	C. Pavlovsky	J. Hawkins	J. Hawkins	09/06/07
Maryland Dept. of Transportation, State Highway Administration Training & Development--Myers Briggs Type Indicator	S. Hornak	P. Keeton	P. Keeton	11/10/07
Maryland Orthopedics--CPR: Adult Heartsaver & Healthcare Provider Renewal	M. Estes	J. Hawkins	J. Hawkins	07/17/07
Maryland School Age Child Care Alliance-Professionalism in School Age Child Care Alliance	R. Farrar	J. Hawkins	J. Hawkins	07/09/07
Maryland State Steering Committee for Occupational and Physical Therapy School-based Programs--13th Annual OT/PT Conference	S. Hornak	P. Keeton	P. Keeton	10/16/07
MedStar Health--Excel & PowerPoint Classes	S. Hornak	P. Keeton	P. Keeton	09/12/07
MedStar Health--Microsoft Outlook, October 1,2, 4	S. Hornak	P. Keeton	P. Keeton	09/19/07
MedStar Health--Microsoft Outlook, October 8,9,10	S. Hornak	P. Keeton	P. Keeton	09/07/07
MedStar Health--Microsoft Outlook, September	S. DeLaney	P. Keeton	K. Hetherington	08/15/07
NAHB Research Center--Maryland Energy Administration-Energy Efficiency Workshop Series and Maryland Energy Star Program	S. DeLaney	J. Hawkins	J. Hawkins	10/15/07
Nemetschek North America-Leadership Skills	S. Hornak	P. Keeton	P. Keeton	12/17/07
Northeastern Regional Training & Medical Consultation Consortium NJ Medical School Global Tuberculosis Institute--Tuberculosis Contact Investigation Training	M. Cangiano	J. Hawkins	J. Hawkins	07/19/07
On the Air Voices-Voice Overs	B. Johnson	P. Keeton	BOT	10/08/07
Project Masters, Inc.--PMP Series through June 2008	C. Pavlovsky	J. Hawkins	J. Hawkins	07/02/07

Contract/Agreement/Name	Originator	Reviewed by:	Approved By:	Date Approved:
Robert Simonsen--CPR	K. Jones	J. Hawkins	J. Hawkins	10/03/07
Sinai Hospital--Refresher Nursing Clinicals	J. Schmidt	P. Keeton	P. Keeton	08/13/07
Total Control Training East LLC-Advanced Riding Clinic (motorcycles)	S. Hornak	P. Keeton	P. Keeton	10/11/07
University of Maryland Medical System (UMMS)--Word and Excel Levels 1, 2, &3 for Oct 29 - Nov 29	R. Farrar	J. Hawkins	J. Hawkins	07/11/07
Vantage House-3 Music Classes	V. Kirk	J. Hawkins	J. Hawkins	08/31/07
William L. Hess-Standards of Best Practices for Partnerships	M. Estes	J. Hawkins	J. Hawkins	07/10/07
Workplace Innovations-Child Care Certification I & II	M. Estes	J. Hawkins	J. Hawkins	07/20/07
Administration and Finance				
Facilities Use Rental Contracts				
Howard County General Hospital	K. Collins	M. Bilello	L. Coleman	7/9/2007
Howard County Public Works Dept.	K. Collins	M. Bilello	M. Bilello for L. Coleman	7/18/2007
Heart and Soul Healing	K. Collins	M. Bilello	L. Coleman	7/9/2207
Arbitron	K. Collins	M. Bilello	L. Coleman	9/6/2007
University of Virginia Alumni Chapter	K. Collins	M. Bilello	M. Bilello for L. Coleman	Undated
Millie Lewis Talent	K. Collins	M. Bilello	L. Coleman	9/6/2007
Howard County Public School System	K. Collins	M. Bilello	L. Coleman	8/17/2006
Top Producers	K. Collins	M. Bilello	M. Bilello for L. Coleman	9/6/2007
Howard County General Hospital	K. Collins	M. Bilello	M. Bilello for L. Coleman	9/6/2007
Cisco University	K. Collins	M. Bilello	L. Coleman	10/4/2007
Howard County Autism Society	K. Collins	M. Bilello	M. Bilello for L. Coleman	9/6/2007
Biason Holding Company	K. Collins	M. Bilello	L. Coleman	11/9/2007
Howard County Reading Council	K. Collins	M. Bilello	L. Coleman	10/1/2007
Texas Instruments	K. Collins	M. Bilello	L. Coleman	Undated
Maryland State Department of Education	K. Collins	M. Bilello	M. Bilello for L. Coleman	10/23/2007
Howard County Parks and Recreation	K. Collins	M. Bilello	L. Coleman	10/1/2007
Maryland Audit Services, LLC	K. Collins	M. Bilello	M. Bilello for L. Coleman	12/6/2007
Md. State Dept. Mental Health and Hygiene	K. Collins	M. Bilello	M. Bilello for L. Coleman	10/23/2007
EZGSA, Inc	K. Collins	M. Bilello	L. Coleman	12/11/2007
Baltimore Bead Society	K. Collins	M. Bilello	M. Bilello for L. Coleman	12/6/2007
Maryland State Soccer Referee Association	K. Collins	M. Bilello	M. Bilello for L. Coleman	10/23/2007

Contract/Agreement/Name	Originator	Reviewed by:	Approved By:	Date Approved:
Howard County Board of Elections	K. Collins	M. Bilello	M. Bilello for L. Coleman	9/6/2007
Howard County Dental Hygienists Association	K. Collins	M. Bilello	L. Coleman	10/4/2007
Student Services				
Facilities Use Agreements				
AST Serpents	S. Musselman	D. Schumacher	J. Marks	9/20/2007
Columbia Acquative Association	S. Musselman	D. Schumacher	J. Marks	9/20/2007
St Vincent Pallottis High School	S. Musselman	D. Schumacher	J. Marks	11/13/2007
Impact Volleyball Club	S. Musselman	D. Schumacher	J. Marks	11/13/2007
Test Administration Contracts				
Pearson Vue	E. Stav	D. O'Brien	B. Greenfeld	7/13/2007
Work Study Agreements				
HC Drug Free	C. Reynold	K. Allen	B. Greenfeld	7/27/2007
Howard County General Hospital	C. Reynold	K. Allen	K. Allen for B. Greenfeld	8/17/2007
Community Action Council of Howard County, MD, Inc.	C. Reynold	K. Allen	B. Greenfeld	9/5/2007
FIRN, Inc.	C. Reynold	K. Allen	B. Greenfeld	9/23/2007
Howard County Office of Children's Services	C. Reynold	K. Allen	B. Greenfeld	12/19/2007

4 – Audit Areas for Review

Background: On May 14, 2003, the audit and finance committee suggested that the administration prepare a list of additional areas for review during future audits. The committee would then review this list each year and possibly pick one or two areas for the auditor review.

This year, because of the additional audit requirements concerning internal controls, the administration is recommending suspending this specific review so the overall review of controls can be the focus. In addition, the college will have a new audit firm for 2008.

Purpose: The following list acts as a checklist to ensure that in addition to the basic review of internal controls by the auditors, other areas will be covered on a periodic basis.

Timeline: This list should be reviewed and updated annually prior to the audit.

◆———— Recommendation —————◆

The administration requests that the audit and finance committee allow the audit team to concentrate on the total internal control structure in more depth.

Compliance: This request is in compliance with Board Policy: Asset Protection

Areas for the Auditors to Review

Each year during the course of the audit, the auditors may be requested to review one or two additional areas to check internal controls. The areas listed below are possible areas to consider for review. This list assumes that the audit and finance committee will pick one or two areas each year in cooperation with the auditors. It is understood that the auditors are still to conduct their normal internal control review of basic areas in addition to paying special attention to the following:

Cash Controls *primarily* for areas outside of the cashier's office

Throughout the college various areas handle cash, which eventually is deposited into the cashier's office. This may include the theatre, bookstore, library, continuing education, and sporting events. It is assumed that when the auditors review college internal controls, a thorough review of the procedures in the cashier's office would normally be done. However, how cash is handled in areas outside of the cashier's office would also be important for the auditors to review periodically.

(reviewed in FY04 audit)

Online purchasing

The online purchasing system is now in place at the college. Although continuing training sessions are held with the cost center managers, there is always room for improvement. A review of this area for any weaknesses should be considered.

(reviewed in FY05 audit)

Purchasing controls for the use of purchasing cards

Howard County Government and the Howard County Public School System currently use procurement cards throughout their organizations. The college has developed policies and procedures for the use of procurement cards, and would like them reviewed to ensure that the proper controls are in place. An audit of the college's overall purchasing procedures was conducted by the county in 2001.

(reviewed in FY06 audit)

Inventory systems throughout the college

Each year, the college takes an annual inventory of capital equipment and furniture and every other year an inventory of all non-capital items. Individuals throughout the college are designated as "inventory monitors" and it is their responsibility to update and check the inventory in their areas. These inventory listings are then submitted to the finance office for review and compilation of the assets of the college. Although test checks of these areas are done, a review of the inventory submitted and the procedures followed would help the college to ensure that it has accurately maintained college assets.

(reviewed in FY04 audit)

Review of Enrollment Data and Reporting

Although this is part of the Colleague system, separate tests should be run in this area to ensure the accuracy of data being reported. Currently, both the registrar's office and continuing education enter enrollment data into the system. The internal controls for

entering accurate data as well as assurances that in-county and out-of-county data are accurately reported should be reviewed.

(This area has not been reviewed in recent years. However, the auditors are requested to test this area as part of their audit of the CC-4 every year.)

Auxiliary Controls

The auxiliary consists of the bookstore, Belmont, food service and the Children's Learning Center (CLC). The bookstore and Belmont are income-generating operations; however, the college has to subsidize food service and the CLC. In addition to the cash handling controls noted above, a review of bookstore inventory controls, Belmont accounting controls, CLC registration procedures, and food service reporting should be considered.

(bookstore reviewed in FY04; Belmont controls reviewed in FY05)

Laurel College Center (LCC) Reporting

Howard Community College and Prince George's Community College (PGCC) currently run the LCC. Staff personnel at the center are primarily Prince George's Community College employees. Statements are generated for the operations at the center by both schools and a combined statement is issued periodically. Consideration should be given to review the reporting procedures for this entity (with the agreement and cooperation of PGCC).

(reviewed in FY06 audit)

Payroll

As part of the basic audit procedures, entering new employees into the system and on-going payroll recordkeeping are considered part of the basic internal controls to be reviewed. However, a more in-depth review of the area should be done periodically to ensure that there are no weaknesses.

(reviewed in FY06 audit)

Information Technology

This area should be considered a part of the basic internal control review. However, as the college is truly dependent on this mode of operation, a more in-depth review of the area should be done periodically to ensure that access is limited to the authorized users and that there are no weaknesses that should be addressed.

(reviewed in FY07 audit)

Board Reports on Policy Compliance

The board has a set of policies with which the administration must comply. The administration issues periodic reports to the audit and finance committee in compliance with these policies. A review of these reports for compliance with the board policy should be done periodically to assure accurate reporting.

(reviewed in FY07 audit)

5 – Committee of Sponsoring Organizations (COSO) Internal Control Checklist Items

Background: One of the management letter comments the college received from the auditors was as follows:

INTERNAL CONTROL ASSESSMENTS

An audit committee should evaluate the effectiveness of the internal control system on a regular basis. It was noted that the audit committee does discuss internal controls, but only when a weakness is identified by management. We recommend that the AICPA audit committee toolkit be distributed to the members of the audit committee. The toolkit may be obtained from the following website:

<http://www.aicpa.org/Audcommctr/toolkitscorp/homepage.htm>

This guide will assist the College's audit committee with guidance on addressing internal controls in a proactive manner.

In FY07, the audit and finance committee received the American Institute of Certified Public Accountants (AICPA) audit committee toolkit and it noted the college would incorporate the internal control review process into the regular committee agendas. Each meeting (with the exception of September), the committee reviewed a portion of the checklist. This submission completes the final portion of the checklist.

The administration has added two columns – one *Administration Comments* and the other *Board Comments*. The administration has attempted to answer the questions, where appropriate, and needs to have a discussion with the board on these issues.

Purpose: The purpose is for the audit and finance committee to review the COSO internal control checklist that is noted in the AICPA audit committee toolkit.

Timeline: The review began at the May 2007 audit and finance committee meeting, and the March 2008 review will conclude the process.

◆————— Recommendation —————◆

The administration requests that the audit and finance committee review the question on the following COSO checklist.

Compliance: This request is compliance with Board Policy: Asset Protection.

COSO Framework	Yes	No	Not Sure	Administration Comments	Board Comments
Risk Assessment					
1. Does the organization consider risks from external sources such as creditor demands, economic conditions, regulation, labor relations (e.g., unions), etc.?	X	<input type="checkbox"/>	<input type="checkbox"/>	In particular, the college keeps a pulse on economic conditions that would have an impact on funding from the state and county, as well as its affect on student enrollment. Regulatory changes are also monitored because of the potential impact on both unrestricted and restricted funding sources. Participation in regional, local, and statewide organizations is an important part of the administration's culture.	
2. Does the organization consider risks from internal sources such as key employees (retention and succession planning), financing and the availability of funding for key programs, competitive compensation and benefits, information systems security and backup systems?	X	<input type="checkbox"/>	<input type="checkbox"/>	As evidenced by the recent succession planning, emergency operations planning, and full compensation study, the college does consider these risks.	
3. Is the risk of a misstatement of the financial statements considered and are steps taken to mitigate that risk?	X	<input type="checkbox"/>	<input type="checkbox"/>	The finance office has a comprehensive close out process, which includes an outline for reviewing all accounts (who does what accounts and by when) to ensure a timely and thorough close out. With the aid of the annual audit review, the risk of a misstatement is mitigated.	
4. If applicable, are the risks associated with foreign/off-	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not applicable.	

COSO Framework	Yes	No	Not Sure	Administration Comments	Board Comments
shore operations considered, including their impact on the financial reporting process?					
Control Activities					
<p>1. Does the organization have a process in place to ensure that controls as described in its policy and procedures manuals are applied as they are meant to be applied? Do the policy and procedures manuals document all important policies and procedures? Are these policies and procedures reviewed and updated on a regular basis? If so, by whom?</p>	X	X	<input type="checkbox"/>	<p>Does the organization have a process in place to ensure that controls as described in its policy and procedures manuals are applied as they are meant to be applied? No, without an internal control function, individual areas are responsible for their own controls without a formal test or review plan. To follow up on this, the VPs will be requested to review areas to establish a review process for procedures in their areas.</p> <p>Do the policy and procedures manuals document all important policies and procedures? Are these policies and procedures reviewed and updated on a regular basis? If so, by whom? Yes, the administration documents all important policies and procedures and they are reviewed periodically by the president's office to ensure they have been kept current by the individual areas. One current objective</p>	

COSO Framework	Yes	No	Not Sure	Administration Comments	Board Comments
				of the finance office is to ensure up to date documentation of processes and procedures and the internal controls in place at this time.	
2. Do supervisory personnel review the functioning of controls? If so, how is that review conducted and what happens to the results? Is appropriate and timely follow-up action taken on exceptions?	<input type="checkbox"/>	X		Supervisors are responsible for ensuring that controls are in place, but reviews are not conducted on a formal basis. VPs will be requested to establish controls with their staff and to set up some procedures for follow up. In the finance area, if errors are found, immediate action is taken to prevent the error from re-occurring by review and modification of the controls over the process.	
Information and Communication					
1. Is a process in place to collect information from external sources, such as industry, economic, and regulatory information that could have an impact on the business and/or the financial reporting process?	X	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the administration gathers information from professional development workshops, regional meetings, and professional associations and their regular publications. A good working relationship with the auditors also helps to keep the college focused on accounting standard changes.	
2. Are milestones to achieve financial reporting objectives monitored to ensure that timing deadlines are met?	X	<input type="checkbox"/>	<input type="checkbox"/>	Reporting schedules with both internal and external deadlines are maintained and	

COSO Framework	Yes	No	Not Sure	Administration Comments	Board Comments
				communicated throughout the organization. Planning, research and organizational development (PROD) monitors dates and deadlines. In finance, coordination of and review of reconciliations are done regularly throughout the year.	
3. Is necessary operational and financial information communicated to the right people in the organization on a timely basis and in a format that facilitates its use, including new or changed policies and procedures?	X	<input type="checkbox"/>	<input type="checkbox"/>	Monthly financial data is made available to cost center managers and the board of trustees. The board is notified of all changes in accounting policies and procedures through its audit and finance committee.	
4. Is a process in place to respond to new information needs in the organization on a timely basis?	X	<input type="checkbox"/>		The strategic planning process allows HCC to follow up on new information needs. In addition, through president's team meetings, vice presidents' meetings with staff, enrollment management, and planning council, the administration has been able to keep abreast of emerging issues to address.	
5. Is there a process in place to collect and document errors or complaints to analyze, determine cause, and eliminate a problem from recurring in the future?	X	<input type="checkbox"/>	<input type="checkbox"/>	The college uses a formal process of encouraging the use of "How are we doing" cards. These cards are recorded and tracked by the PROD office, distributed to	

COSO Framework	Yes	No	Not Sure	Administration Comments	Board Comments
				the appropriate offices and responded to. QUEST (employee survey) and YESS (student survey) also keeps HCC abreast of issues that need to be addressed.	
6. Is a process established and communicated to officers, employees, and others, about how communicate suspected instances of wrongdoing by the company or employees of the company? Further, does a process exist to ensure that anyone making such a report is protected from retaliation for making such a report? (See also the tool entitled "Tracking Report: Anonymous Submission of Suspected Wrongdoing (Whistleblowers)" elsewhere in this toolkit.)	X		<input type="checkbox"/>	As noted in #5 above, HCC's "How are we doing" card process and the Quest and YESS surveys, where anyone can turn in a comment anonymously. An employee "hotline" is currently being considered for implementation as another process.	
Monitoring					
1. Do officers and employees understand their obligation to communicate observed weaknesses in design or compliance with the internal control structure of the organization to the appropriate supervisory or management personnel?	<input type="checkbox"/>	X		Generally speaking, supervisory personnel do see the importance of internal controls, but this obligation may not be understood throughout the organization. A formal process will be established through the VPs to communicate this obligation.	
2. Are interactions with external stakeholders periodically evaluated to determine if they are indicative of a weakness in the internal controls structure? (For example, consider the frequency of customer complaints about incorrect bills.)	X	<input type="checkbox"/>	<input type="checkbox"/>	Any discrepancy found is immediately investigated.	
3. Is there follow-up on recommendations from the internal and external auditors for improvements to the	X	<input type="checkbox"/>	<input type="checkbox"/>	All recommendations from HCC's external auditors have	

COSO Framework	Yes	No	Not Sure	Administration Comments	Board Comments
internal control system?				been implemented; however, there is no internal audit team.	
4. Are personnel asked to periodically state whether they understand and comply with the organization's code of conduct?	<input type="checkbox"/>	X	<input type="checkbox"/>	The college has ethics policies in place that are reviewed with each new employee during the orientation process. Administrators having significant purchasing authority complete the statewide ethics forms, which state that they are in compliance with state ethics regulations. However, all non-administrative employees are not asked to periodically state that they are in compliance with these policies.	
5. Are personnel required to sign off, indicating their performance of critical control activities such as performing reconciliations?	X	<input type="checkbox"/>	<input type="checkbox"/>	All reconciliations are signed off by the preparer and reviewed and signed off by a supervisor.	
6. Does the internal audit team have the right number of competent and experienced staff? Do they have access to the board of directors and audit committee? Is the reporting structure in place to ensure their objectivity and independence? Is the work of the internal audit team appropriate to the organization's needs, and the prioritized with the audit committee's direction?	<input type="checkbox"/>	X	<input type="checkbox"/>	There is no internal audit team at this time.	

6 – Waiver of Application Fee for Police Recruits

Background: Howard Community College (HCC) and the Howard County Police Department (HCPD) will begin a new joint “Police Science” program this July. The HCPD will be paying all of the tuition and fees for the new recruits accepted into the program and successful recruits will exit the Police Academy with an AAS degree in Police Science. HCC will be teaching thirty-one (31) credits in the program and articulating (30) Police Academy credits in accordance with the Maryland Higher Education Commission’s *Policy for Articulation and Transfer of Credits between Degree-Granting Institutions and Maryland Secondary Schools and Non-Degree-Granting Institutions*. The administration is proposing that the police recruits be able to take HCC’s placement tests prior to admission and that the application fee be waived as it is for active duty military and their dependents.

Purpose: To request a waiver of the application fee for police recruits

Timeline: The waiver will be effective immediately upon board approval. Although the next police academy class begins on July 21, 2008, the HCPD needs to begin recruiting and having recruits take the placement tests beginning April 1, 2008.

◆———— Recommendation —————◆

The administration requests that the audit and finance committee recommend waiver of the application fee for police recruits entering the Police Science program to the full board at its March 26, 2008, meeting

Compliance: This request is in compliance with Board Policy: Governance Process – Board’s Role, and Board Bylaw, Article II: The Board of Trustees Responsibilities and Powers.

7 – Outstanding College Debt

Background: Following this item is a schedule listing all debt that the college currently has responsibility for, although some of the debt (Children’s Learning Center and Belmont) is actually on the Howard Community College Educational Foundation books. In addition, the administration has listed the potential future debt that the college may incur. Currently, the county has not informed the college about the funding for the second garage, but it is listed in case the county does not fund the project. The administration requests that the board review the attached schedule.

Purpose: To make the board aware of the college’s debt

Specifications: Noted on schedule

◆———— Recommendation —————◆

This item is for information only and does not require committee or board action.

Outstanding Debt

Description	Amount Outstanding at February 2008	Terms	Estimated Annual Debt Payment	Payoff Date	Source of Funds
Burrill Galleria	\$ 74,800	Annual payments to the county vary from \$45,254 to \$40,018 (6.9% to 7.0%)	\$ 42,636	2010	Student consolidated fees covers debt*
Children's Learning Center	\$ 237,709	Monthly payments made by HCCEF and reimbursed by the college	\$ 85,593	2011	College auxiliary budget
Horowitz Visual and Performing Arts Center	\$ 3,800,000	College responsibility-(bond amt.) County may sell 20 year bonds in spring 2008. Estimated payment annually at 4-5% Have not started paying	\$ 303,500	2028	\$3 of student tuition covers debt Some pledges may offset HCC payments
Garage #1	\$ 7,073,868	County has sold \$6,448,000 of 20 year bonds First sale date March 2007 Interest approx. 4-5% Additional bonds to cover total debt \$625,868	\$ 515,000 \$ 50,000	2027 2028	Student consolidated fees will cover debt*
Belmont loan	\$ 4,431,900	Currently interest only 3 month LIBOR - rates have gone from 3.09-5.5%	\$ 187,300	2010	College operating budget
Total debt	\$ 15,618,277		\$ 1,184,029		
Total debt without Belmont and garage 2	\$ 11,186,377		\$ 996,729		
Garage #2	\$ 15,000,000	County to sell bonds - 20 year term once sold Estimated payment \$1,197,900 annually at 4-5%	\$ 1,197,900		If no county support, approximately \$9 per credit hour
Barn renovations	\$ 1,400,000	Will be secured in fall 2008 Estimate 5% rate 10 year rate	\$ 179,012	2018	College operating budget
ALL DEBT with both garages and Belmont	\$ 32,018,277		\$ 2,560,941		

* 7.12% of each credit hour of tuition is collected to make the debt payments on both the Burrill Galleria and Parking Garage (currently \$8.11 per credit hour).