



## OFFICE OF THE INSPECTOR GENERAL

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*Inspector General*

### NEWS RELEASE

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For Immediate Release

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#### OIG Audit of County Retirement Plan Identifies Need for Improved Adherence to Policy

Rockville, Maryland – Montgomery County Maryland Inspector General Megan Davey Limarzi announced today the release of two Office of the Inspector General (OIG) reports: (1) [\*Performance Audit of the Administration of the Montgomery County Employee Retirement Plans and Consolidated Retiree Health Benefits Trust\*](#), OIG Publication #22-005 and (2) [\*a Memorandum of Investigation: Updates to AP 1-2 and 1-5 Recommended\*](#), OIG Publication #22-006. The two reports are interrelated and therefore released in tandem.

The objective of the audit was to determine whether controls related to certain administrative investment-related processes operated effectively and whether expense reimbursements, invoice payments, and P-Card transactions complied with applicable policies and regulations. The audit also sought to assess whether good faith efforts were being made to include businesses owned by women, minorities, and people with disabilities in the search for and consideration of investment managers. The OIG did not evaluate investment strategies, individual investments, the County's investment portfolio, or investment decisions through this audit.

The audit report contains five findings noting a failure to comply with County policies, six recommendations for improvement, and presents one observation related to opportunities to further promote diversity, equity, and inclusion in investment manager hiring practices. The Chief Administrative Officer noted general concurrence with the OIG's recommendations and the Boards for the Montgomery County Employee Retirement Plans and Consolidated Retiree Health Benefits Trust submitted comments of general concurrence as well.

Further investigation of a deficiency noted during the audit resulted in the production of a second report with specific recommendations to address a shortcoming in policy. During the course of the audit, the OIG tested compliance with certain County travel policies and identified a deficiency in policy related to the pre-approval of department heads' travel. This deficiency presents an inadequate separation of duties and does not clearly identify the requirement for pre-approvals. Following receipt of that report, the CAO's office issued additional guidance and also relayed to the OIG an intent to include the issue in upcoming administrative policy updates.

The full reports can be found at the following locations,  
<https://www.montgomerycountymd.gov/OIG/Resources/Files/PDF/IGActivity/FY2022/OIG22-05.pdf>  
<https://www.montgomerycountymd.gov/OIG/Resources/Files/PDF/IGActivity/FY2022/OIG22-06.pdf>

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