



CliftonLarsonAllen LLP  
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Management  
The Board of Education  
of Montgomery County, Maryland  
Rockville, Maryland

In planning and performing our audit of the financial statements of The Board of Education of Montgomery County, Maryland operating as Montgomery County Public Schools (the Board) as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Board's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

However, during our audit we became aware of an other matter that is an opportunity to strengthen your internal control and improve the efficiency of your operations. Our comment and suggestion regarding this matter is summarized below. We previously provided a written communication dated September 27, 2019, on the Board's internal control. This letter does not affect our communication dated September 27, 2019.

#### **School Activity Funds**

We noted that a check request was not signed by the principal. The Board procedures require an authorized signer to review and approve check requests for the independent activity fund (IAF). The check request related to a transfer between the school and MCPS central office; the school assumed that a signature was not required based on the nature of the request.

This communication is intended solely for the information and use of the Board of Education of Montgomery County, Maryland, management, and federal awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Baltimore, Maryland  
September 27, 2019.



**MONTGOMERY COUNTY PUBLIC SCHOOLS**  
MARYLAND  
www.montgomeryschoolsmd.org



September 27, 2019

CliftonLarsonAllen LLP  
1966 Greenspring Drive, Suite 300  
Timonium, Maryland 21093

Dear CliftonLarsonAllen LLP:

**Montgomery Public Schools' respectfully submits management's responses to the management letter comments for the year ended June 30, 2019.**

#### **School Activity Funds**

We noted that a check request was not signed by the principal. The Board's procedures require an authorized signer to review and approve check requests for the independent activity fund (IAF). The check request related to a transfer between the school and MCPS central office; the school assumed that a signature was not required based on the nature of the request.

#### **MCPS Response**

We concur. The Board worked with the school principal and staff to reinforce their knowledge of the Board's financial policies and procedures with regards to principal pre-approvals. In addition, in September of this year all principals received a memorandum detailing their responsibilities with regards to all school financial matters.

Sincerely,

Robert Reilly, CPA  
Director

RR:rg

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#### **Division of Financial Services**

45 West Gude Drive, Suite 3200 ♦ Rockville, Maryland 20850





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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Education  
of Montgomery County, Maryland  
Rockville, Maryland

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of The Board of Education of Montgomery County, Maryland operating as Montgomery County Public Schools (the Board), a component unit of Montgomery County, Maryland, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated September 27, 2019. The Board's financial statements include the operations of MCPS Educational Foundation, Inc. (Foundation), a discretely presented component unit. Our report, described below, did not include the operations of the Foundation because the Foundation (a component unit) engaged for its own separate audit in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.