



**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 aggregate discretely presented component units, 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, 2022, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated October 25, 2022. The Board's financial statements include the operations of the 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 its own separate audit in accordance with *Government Auditing Standards*.

***Report on 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) as a basis for designing 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.

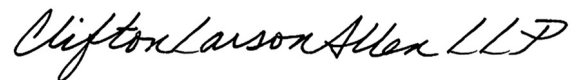
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and management response as item 2022-001 that we consider to be a material weakness.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***The Board's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Board's response to the finding identified in our audit and described in the accompanying schedule of findings and management response. The Board's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.



**CliftonLarsonAllen LLP**

Baltimore, Maryland  
October 25, 2022

**The Board of Education of Montgomery County, Maryland**  
**Schedule of Findings and Management Response**  
**June 30, 2022**

**Finding 2022-001: Material Audit Adjustments**

**Type of Finding: Material Weakness in Internal Control over Financial Reporting**

**Condition**

The Board's internal controls did not ensure that cash, accounts receivable, lease liability and corresponding leased assets and expenses were recorded accurately.

**Criteria**

COSO/Internal Control Framework defines control activities as "policies and procedures that help ensure management's directives are carried out." Management review controls are defined as, "the activities of a person, different than the preparer, through analyzing and performing oversight of activities performed, and is an integral part of any internal control structure." COSO/Internal Control Framework requires adequate internal controls over the recording of balances to ensure proper amounts are reported at year end.

**Context**

Our audit procedures detected material misstatements to cash, accounts receivable, lease liability and corresponding leased assets and expenses.

**Cause**

The Board's internal controls over financial reporting did not ensure proper reconciliation and detail review of account balances at year end was performed prior to submitting to the auditor for consideration.

**Effect**

Material adjusting journal entries to the financial statements were required to be made to properly state the account balances at year end.

**Recommendation**

We recommend that management review the existing policies and procedures for their account reconciliation process to ensure accounts are properly stated and a sufficient detail review of workpapers supporting the balances and transactions is completed. The review should be completed by a person other than the individual that prepared the reconciliation or supporting workpapers.

**Views of Responsible Officials**

Management agrees with this finding. Management will work to ensure our procedures are in compliance with GASB 87. We will work to train staff to ensure these procedures are properly followed. Management will work to ensure that account balances for cash and accounts receivable are reviewed at year end for accuracy and consistency with our policies.