

Montgomery County Public Schools

FY 2008 OPERATING BUDGET

Audits

The Montgomery County Public Schools (MCPS) receives many regular financial and operational audits. These audits ensure financial and operational accountability to the public. Below are details of some of the regular audits.

- State of Maryland law, Section 5-109 of the Education Article, requires all school districts to commission an annual external audit of financial transactions by an independent certified public accountant. MCPS uses the firm of Clifton and Gunderson (CG). Neither CG nor its predecessors have identified any material weaknesses or noncompliance with internal controls.
- MCPS issues an annual financial report, the Comprehensive Annual Financial Report (CAFR). This report has received an Excellence in Financial Reporting Award from the Government Financial Officers Association (GFOA).
- Board of Education Policy DAA, Fiscal Responsibility and Control, requires the superintendent of schools to maintain strict financial controls consistent with state law and the county charter.
- The Board of Education Audit Committee meets regularly with staff to review audit findings and to provide financial oversight. The Audit Committee reviews the reports of the system's actuary and external auditor.
- The Maryland State Department of Education (MSDE) and the state Office of Legislative Oversight (OLA) review MCPS activities and financial reports. MSDE audits a variety of issues, including enrollment, program administration, special education, teacher certification, criminal background checks of teachers, and grants monitoring.
- Under Senate Bill 894, OLA will conduct a comprehensive financial and operational audit of all state school systems according to a six-year schedule. No date has been announced for the MCPS audit.
- The federal government regularly provides mandated A-133 single audits of federal grant programs. The frequency of these audits has greatly increased in recent years. Federal audit results of MCPS grants have not included any material adverse findings.
- The State Interagency Committee on School Construction (IAC) annually audits the use of state construction funds. None of their audit notes contained any material findings.

- The county Office of Legislative Oversight (OLO) has conducted comprehensive budget reviews of MCPS programs, including student transportation, special education, and staff development. OLO has recently added an analyst dedicated to MCPS issues and is conducting a review of financial indicators of performance.
- The MCPS Internal Audit Unit conducts financial and program audits of MCPS program as well as school independent activity funds (OAF). This unit also monitors the external audit contract and has responsibility for assuring implementation of external audit recommendations.

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