

ANNE ARUNDEL COUNTY BOARD OF EDUCATION

REPORT ON SINGLE AUDIT

YEAR ENDED JUNE 30, 2019

**ANNE ARUNDEL COUNTY BOARD OF EDUCATION
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INDEPENDENT AUDITOR'S 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

Members of the Board of Education
of Anne Arundel County
Annapolis, 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, each major fund and the aggregate remaining fund information of the Board of Education of Anne Arundel County (the Board), a component unit of Anne Arundel 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.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2019-001 that we consider to be a significant deficiency.

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 determination of financial statement amounts. 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*.

Management's Responses to Findings

Management's responses to the findings identified in our audit are included in the accompanying Schedule of Findings and Questioned Costs. Management's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this communication is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Baltimore, Maryland
September 27, 2019



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Members of the Board of Education
of Anne Arundel County
Annapolis, Maryland

Report on Compliance for Each Major Federal Program

We have audited the Board of Education of Anne Arundel County's (the Board) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Board's major federal programs for the year ended June 30, 2019. The Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Board's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Board's compliance.

Opinion on Each Major Federal Program

In our opinion, the Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Board 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. We issued our report thereon dated September 27, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying

Members of the Board of Education
of Anne Arundel County

accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
November 5, 2019

**ANNE ARUNDEL COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2019**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title/ Grant Name	CFDA Number	Pass-through Entity Identifying Number	Passed through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
Administered Through Maryland State Department of Education:				
Department of Agriculture - Food Distribution Program:				
Project No.: 2010 Food Distribution	10.555	None provided	N/A	\$ 1,904,317
Department of Agriculture - School Breakfast Program:				
Project No.: 7082-19 School Breakfast	10.553	None provided	N/A	4,887,031
Department of Agriculture - School Lunch Program:				
Project No.: 7081-19 School Lunch	10.555	None provided	N/A	11,543,536
Department of Agriculture - Summer Food Service Program				
Project No.: 7052-19 Summer Food Service Program	10.559	None provided	N/A	321,383
Total Child Nutrition Cluster				<u>18,656,267</u>
Department of Agriculture - Child and Adult Care Food Program				
Project No.: 7053-19 Child and Adult Care Food Program	10.558	None provided	N/A	461,944
Total U.S. Department of Agriculture				<u>19,118,211</u>
U.S. Department of Defense Direct Programs:				
Promoting Student Achievement at Schools Impacted by Military Force Structure Changes				
Project No.: 3286 STEM	12.556	HE 1254-17-1-0042	N/A	126,219
Project No.: 3291 DoDEA Grant	12.556	HE 1254-15-1-0041	N/A	417,352
Project No.: 3599 Special Education STEM	12.557	HE 1254-14-1-0026	N/A	28,020
Total Promoting Student Achievement at Schools Impacted by Military Force Structure Changes				<u>571,591</u>
Department of Defense Impact Aid	12.558	---	N/A	372,751
Department of Defense Community Investment	12.600	---	N/A	1,676,633
Total U.S. Department of Defense				<u>2,620,975</u>
U.S. Department of Education				
Administered Through Maryland Department of Labor and Licensing:				
Project No.: 517 External Diploma	84.002A	P00R9400445	N/A	13,476
Administered Through Maryland State Department of Education:				
Title I, Part A of ESEA - Improving Basic Programs:				
Project No.: 1988 Title I	84.010A	181293	N/A	4,179
Project No.: 1981 Title I	84.010A	180702	N/A	838,336
Project No.: 1981 Title I	84.010	190725-01	N/A	12,615,597
Total Title I Grants to Local Educational Agencies				<u>13,458,112</u>
Special Education Cluster:				
Project No.: 3474 Special Education, Access, Equity, and Progress	84.027	181562	N/A	55,635
Project No.: 3479 Special Education, Secondary Transition	84.027	181493	N/A	37,108
Project No.: 3480 Spec Education, Community Service	84.027	190303-03	N/A	1,833
Project No.: 3481 Special Education	84.027	180477-02	N/A	10,203
Project No.: 3482 Special Education, SE Advisory Committee	84.027	180477-03	N/A	589
Project No.: 3484 Special Education	84.027	180477-04	N/A	98,268
Project No.: 3487 Special Education - Secondary Transit	84.027	190303-06	N/A	4,907
Project No.: 3489 Special Education - Family Support	84.027	190303-04	N/A	20,000
Project No.: 3494 Special Education	84.027	180477-07	N/A	12,140
Project No.: 3492 Pass Through	84.027	180477-01	N/A	759,294
Project No.: 3488 Pass Through	84.027	180941-01	N/A	39,851
Project No.: 3496 Pass Through	84.027	190303-01	N/A	15,894,038

See accompanying Notes to the Schedule.

**ANNE ARUNDEL COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2019**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title/ Grant Name	CFDA Number	Pass-through Entity Identifying Number	Passed through to Subrecipients	Federal Expenditures
U.S. Department of Education (Continued)				
Special Education Cluster: (Continued)				
Project No.: 3497 Special Education	84.027	181687-01	N/A	\$ 4,000
Project No.: 3499 Special Education	84.027	180477-06	N/A	446
Project No.: 3588 Special Education Pass Through Private/Parochial	84.027	190303-02	N/A	225,311
Project No.: 3594 Infants & Toddlers	84.027	180218-01	N/A	54,561
Project No.: 3592 Infants & Toddlers	84.027	190107-01	N/A	268,439
Project No.: 3593 Special Education, Early Childhood	84.027	181320	N/A	22,563
Project No.: 3477 Special Education, Preschool	84.173	190264-02	N/A	3,141
Project No.: 3493 Preschool	84.173	180476-01	N/A	35,889
Project No.: 3495 Special Education, Preschool	84.173	190264-01	N/A	418,320
Project No.: 3516 Special Education, IFSP Extension	84.173	180202-02	N/A	2,915
Project No.: 3592 Infants & Toddlers	84.173	190106-01	N/A	9,000
Total Special Education Cluster				17,978,451
Vocational Education - Basic Grants to States:				
Project No.: 5080 Career and Technology Perkins Voc Ed.	84.048	180596-01	N/A	12,721
Project No.: 5080 Career and Technology Perkins Voc Ed.	84.048	190402-01	N/A	640,179
Project No.: 5083 Career and Technology PLTW PD	84.048	190432-01	N/A	4,667
Project No.: 5087 Career and Technology PLTW PD	84.048	190445-01	N/A	10,000
Total Vocational Education - Basic Grants to States				667,567
Special Education - Grants for Infants and Families with Disabilities:				
Project No.: 3591 Infants & Toddlers	84.181	180187-01	N/A	71,903
Project No.: 3590 Infants & Toddlers	84.181	190177-01	N/A	626,141
Total Special Education - Grants for Infants and Families with Disabilities				698,044
McKinney-Vento Homeless Assistance Act, Title VII, Subtitle B.				
Project No.: 2296 Homeless Education	84.196	181373	N/A	37,201
Project No.: 2295 Homeless Education	84.196	191132	N/A	29,658
Total McKinney-Vento Homeless Assistance Act, Title VII, Subtitle B				66,859
Charter Schools				
Project No.: 3984 Charter School	84.282	191273	N/A	500
Funding to Ensure Limited English Proficient Children meet Standards:				
Project No.: 2183 Title III, Language Instruction for LEP	84.365A	170662-01	N/A	3,095
Project No.: 2184 Title III, Language Instruction for LEP	84.365A	180419-01	N/A	419,414
Project No.: 2190 Title III, Language Instruction for LEP	84.365A	180419-02	N/A	5,873
Project No.: 2185 Title III, Language Instruction for LEP	84.365	190367-01	N/A	82,833
Total Funding to Ensure Limited English Proficient Children Meet Standards				511,215
Improving Teacher and Principal Quality:				
Project No.: 0391 Title II, Improving Teacher Quality	84.367	181817-01	N/A	3,860
Project No.: 0392 Title II, Improving Teacher Quality	84.367	170964-01	N/A	401,696
Project No.: 0393 Title II, Improving Teacher Quality	84.367	181264	N/A	696,422
Project No.: 0394 Title II, Improving Teacher Quality	84.367	191362	N/A	510,611
Total Improving Teacher and Principal Quality				1,612,589

See accompanying Notes to the Schedule.

**ANNE ARUNDEL COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2019**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title/ Grant Name	CFDA Number	Pass-through Entity Identifying Number	Passed through to Subrecipients	Federal Expenditures
U.S. Department of Education (Continued)				
Striving Readers				
Project No.: 6180 Striving Readers	84.371A	181743	N/A	\$ 399,032
Project No.: 6181 Striving Readers	84.371	190536-01	N/A	99,879
Project No.: 6182 Striving Readers	84.371	191078-01	N/A	224,688
Project No.: 6183 Striving Readers	84.371	191056-01	N/A	<u>1,675</u>
Total Striving Readers				<u>725,274</u>
Statewide Longitudinal Data Systems:				
Project No.: 0397 SLDS Peer Collaborative Training	84.372	190744-01	N/A	6,512
Project No.: 0390 SLDS Peer Collaborative Training	84.372	191192-01	N/A	<u>9,925</u>
Total Statewide Longitudinal Data Systems				<u>16,437</u>
American Recovery and Reinvestment Act of 2009 - Preschool Development Grants				
Project No.: 1772 Judy Center	84.419	180636	N/A	41,764
Project No.: 1773 Judy Center	84.419	190946-01	N/A	<u>175,000</u>
Total American Recovery and Reinvestment Act of 2009 - Preschool Development Grants				<u>216,764</u>
Disability Innovation Fund				
Project No.: 3485 Disability Innovation	84.121	191222	N/A	16,510
Student Support and Academic Enrichment Program:				
Project No.: 3288 Title IV	84.424	181085	N/A	162,515
Project No.: 3289 Title IV	84.424	191285	N/A	<u>19,520</u>
Total Student Support and Academic Enrichment Program				<u>182,035</u>
Hurricane Education Recovery				
Project No.: 0396 Emergency Impact Aid	84.938	191154	N/A	100,609
Total U.S. Department of Education Administered Through the Maryland State Department of Education				<u>36,264,442</u>
U.S. Department of Education Direct Programs:				
Impact Aid				
Unrestricted Federal Revenue, Title VIII of ESEA	84.041	---	N/A	<u>2,817,573</u>
Total U.S. Department of Education Direct Programs				<u>2,817,573</u>
Total U.S. Department of Education				39,082,015
U.S. Department of Health and Human Services:				
YMCA of Central Maryland Inc.				
Project No.: 1795 Head Start	93.600	03CH010431-01-00	N/A	<u>374,226</u>
Total Federal Awards				<u>\$ 61,195,427</u>

See accompanying Notes to the Schedule.

**ANNE ARUNDEL COUNTY BOARD OF EDUCATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2019**

NOTE 1 SINGLE AUDIT REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the expenditures of all federal award programs of the Anne Arundel County Board of Education (the Board) for the year ended June 30, 2019.

NOTE 2 BASIS OF ACCOUNTING

The accompanying SEFA has been prepared using the modified accrual basis of accounting as fully described in the Summary of Significant Accounting Policies accompanying the Board's basic financial statements.

NOTE 3 RELATION TO BASIC FINANCIAL STATEMENTS AND FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying SEFA agree with amounts reported in the Board's basic financial statements and the related federal financial reports submitted by the Board.

Total expenditures per the SEFA reconciles to the Board's basic financial statements as follows:

**Revenues per the Statements of Revenue, Expenditures (Net Assets)
and Changes in Fund Balance**

Federal - Food Service	\$ 19,118,211
Federal - General Fund	46,166,450
Federal - Capital Projects	1,676,633
Federal - Other funds	<u>13,476</u>
Total per Basic Financial Statements	<u>66,974,770</u>

Less:

FY19 Medicaid	<u>(5,779,343)</u>
Total Expenditures per SEFA	<u><u>\$ 61,195,427</u></u>

NOTE 4 INDIRECT COST RATE

The Board has not elected to use the 10 percent de minimis indirect cost rate allowed under Uniform Guidance

**ANNE ARUNDEL COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2019**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? X yes _____ none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Grant Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559	Child Nutrition Cluster
12.600	Department of Defense Community Investment

Dollar threshold used to distinguish between type A and type B programs: \$1,835,863

Auditee qualified as low-risk auditee? X yes _____ no

**ANNE ARUNDEL COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2019**

Section II – Financial Statement Findings

Finding 2019-001:

School Activity Internal Audit Report

Criteria: Findings noted in internal audit reports should be addressed and corrected in a timely manner.

Condition: The Board performs audits over various school fund accounts each year. Several findings in these reports were not corrected in a timely manner.

Cause: The Board does not have proper procedures in place to follow up on findings noted on internal audit reports.

Effect: Failure to properly follow up on findings noted on internal audit reports could result in a misappropriation of assets.

Recommendation: We recommend that the Board review current policies and procedures to ensure that findings noted in internal audit reports are properly addressed.

Management Response:

AACPS management has established a three-pronged approach to correct the findings noted in the School Activity Internal Audit Reports. It should be noted that this approach has lowered the number of repeat findings for the last two quarters.

Financial Operations Division staff participated in the Principal's meeting held on Feb 7, 14, and 21 to emphasize and provide training on the Financial Rules and Regulations governing the use of School Activity Funds. Second, Financial Operations staff met with the Associate Superintendent for School Performance and the Office of Internal Audit to review the Internal Audit findings. In that meeting, it was decided that repeat findings would be a part of the annual evaluation process of the principals. Finally, each quarter, the Internal Audit Division provides the Supervisor of Finance with the list of schools audited during the quarter that have repeat findings. The Supervisor of Finance then follows up on the repeat findings with the school principals via written communications, and where necessary follows up with phone calls, to provide any additional clarification. It is hoped that this new process implemented last year, along with the publication of the new School Books Manual and associated training, will result in the reduction of the repeat findings.

ANNE ARUNDEL COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2019

Section III – Findings and Questioned Costs – Major Federal Programs

None



**ANNE ARUNDEL COUNTY BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2019**

Anne Arundel County Board of Education respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2019.

Audit period: July 1, 2018 – June 30, 2019

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

2018 – 001 Capital Asset Additions

Condition: During the year, the Board noted that there were several capital assets purchased and placed in service in prior years that were not recorded in the capital asset ledger.

Status: Fully corrected. The corrective measures have been put into place.

2018 – 002 School Activity Internal Audit Report

Condition: The Board performs audits over various school fund accounts each year. Several findings in these reports were not corrected in a timely manner.

Status: See current year finding 2019-001.

Reason for finding's recurrence:

While AACPS has put the plan of action into place by 09/01/2018, given that AACPS operates 77 elementary, 19 middle and 12 high schools and the number of schools and staff involved in ensuring compliance, it is difficult to ensure 100 percent compliance to correct the findings in the School Activity Internal Audit reports within a years' time. AACPS will continue the efforts to correct the findings by following newly established procedures and follow-up action with schools' principals.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

There were no federal award program audit findings in the prior year.



**ANNE ARUNDEL COUNTY BOARD OF EDUCATION
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2019**

Maryland State Department of Education

The Anne Arundel County Board of Education respectfully submits the following corrective action plan for the year ended June 30, 2019.

Audit period: July 1, 2018– June 30, 2019

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCY

2019-001 School Activity Internal Audit Report

Recommendation: We recommend that the Board review current policies and procedures to ensure that findings noted in internal audit reports are properly addressed.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding:

AACPS management has established a three-pronged approach to correct the findings noted in the School Activity Internal Audit Reports. It should be noted that this approach has lowered the number of repeat findings for the last two quarters.

Financial Operations Division staff participated in the Principal's meeting held on Feb 7, 14 and 21 to emphasize and provide training on the Financial Rules and Regulations governing the use of School Activity Funds. Second, Financial Operations staff met with the Associate Superintendent for School Performance and the Office of Internal Audit to review the Internal Audit findings. In that meeting, it was decided that repeat findings would be a part of the annual evaluation process of the principals. Finally, each quarter, the Internal Audit Division provides the Supervisor of Finance with the list of schools audited during the quarter that have repeat findings. The Supervisor of Finance then follows up on the repeat findings with the school principals via written communications, and where necessary follows up with phone calls, to provide any additional clarification. It is hoped that this new process implemented last year, along with the publication of the new School Books Manual and associated training, will result in the reduction of the repeat findings.

Name(s) of the contact person(s) responsible for corrective action: Krishna Bappanad, Supervisor of Finance

Planned completion date for corrective action plan:

This is a on-going process that has been already implemented effective 09/01/2018.

If the Maryland State Department of Education has questions regarding this plan, please call Krishna Bappanad at 410-222-5200.