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Management and Board of Education
Prince George's County Public Schools
Upper Marlboro, Maryland

In planning and performing our audit of the financial statements of Prince George's County Public Schools (the School System) as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the School System'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 School System's internal control. Accordingly, we do not express an opinion on the effectiveness of the School System's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and other matters that are opportunities to strengthen your internal control and improve the efficiency of your operations. Our comments and suggestions regarding those matters are summarized below. A separate communication dated September 28, 2018, contains our written communication of significant deficiencies. This letter does not affect our report on the financial statements dated September 28, 2018, nor our internal control communication dated September 28, 2018.

Cash Reconciliations

During the audit, we noted that the bank reconciliation for one of the School System's accounts was not properly reconciled to the general ledger. Although the variance was not material to the financial statements, variances within the reconciliation process could allow errors to exist and go undetected. We recommend that all of the bank accounts be reconciled monthly to the general ledger and that all suspicious reconciling items be promptly investigated and adjusted with adequate explanations.

Management Response:

Concur. Each cash account is reconciled monthly in accordance with a monthly closing schedule. Differences between the bank balance and the balance recorded in Oracle are researched and resolved, either by entry or explanation. The June 2018 payroll bank reconciliation resulted in an immaterial difference (.07% to total payments in June), which was not adequately explained. The differences for the payroll reconciliation typically are timing differences, including when checks are issued versus when they are costed to the general ledger; voiding of checks, stop payment checks; and other costing issues which are corrected in subsequent months. Accounting and Financial Reporting is working with IT to develop more detailed reports to assist in the reconciliation process and continues to work with IT, Payroll, and HR to improve the payroll costing process. Moving forward, the Accounting and Financial Reporting Office will include all reconciling items with an appropriate explanation, and if needed, will make appropriate adjustments to the general ledger.

Facility Rental Billing

The School system does not currently utilize the accounting system to track and bill activity related to school facility rental. Facility rental revenue is currently initiated by each individual school and is not recorded until cash is received by the Treasury Operation Department. We believe that all billings should be initiated and recorded by the Treasury Operation Department; this practice will provide for increased control over uncollected billing and ensure any billings are properly reflected in the accounting records and cash collections are monitored.

Management Response:

Concur in part. While it is imperative to track all billings and receipts in the school accounting system or related interfacing payment system, the large volume of small dollar receipts from facility rental are too numerous for Treasury Operations to bill and track. The Treasury Operations staff worked with Plant Operations and IT to implement the MySchoolBucks online payment system to speed payments and increase controls. MySchoolBucks was implemented in April 2018 and is interfaced with an online application called "School Dude," which secures a customer's rental site reservation once the payment is received. As of January 2019, Plant Ops will no longer accept any paper reservations as all customers will be required to use School Dude.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various School System personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, Board of Education of Prince George's County, and others within the School System, and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Baltimore, Maryland
September 28, 2018