

PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS  
Upper Marlboro, Maryland

REPORT ON SINGLE AUDIT  
June 30, 2012

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## CliftonLarsonAllen

### **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  
Prince George's County, Maryland  
Upper Marlboro, Maryland

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Prince George's County Public Schools, a component unit of Prince George's County, Maryland, as of and for the year ended June 30, 2012, which collectively comprise Prince George's County Public Schools' basic financial statements and have issued our report thereon dated October 1, 2012. We conducted our audit in accordance with 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.

#### **Internal Control Over Financial Reporting**

Management of Prince George's County Public Schools is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Prince George's County Public Schools' internal control over financial reporting as a basis for designing our auditing procedures 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 entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

*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 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Prince George's County Public Schools' financial statements are free of 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*.

We noted certain matters that we reported to management of Prince George's County Public Schools in a separate letter dated October 1, 2012.

This report is intended solely for the information and use of the Board of Directors, 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.

A handwritten signature in cursive script that reads "Clifton Larson Allen LLP".

Calverton, Maryland  
October 1, 2012



## CliftonLarsonAllen

### **Independent Auditor's Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in and Schedule of Expenditures of Federal Awards in Accordance with OMB Circular A-133**

Members of the Board of Education of  
Prince George's County, Maryland  
Upper Marlboro, Maryland

#### **Compliance**

We have audited the compliance of Prince George's County Public Schools (the Schools), a component unit of Prince George's County, Maryland, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Schools' management. Our responsibility is to express an opinion on the Schools' compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Schools' 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. Our audit does not provide a legal determination of the Schools' compliance with those requirements.

In our opinion, the Schools complied, in all material respects, with the 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, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2012-01.

## **Internal Control Over Compliance**

The management of the Schools is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Schools' internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Schools' 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 combination of deficiencies, in internal control over compliance, such that there is 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2012-01, 2012-02. *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.

The Schools' responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Schools' responses and, accordingly, we express no opinion on them.

## **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Prince George's County Public Schools as of and for the year ended June 30, 2012, and have issued our report thereon dated October 1, 2012. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the Board's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing

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

This report is intended solely for the information and use of the audit committee, 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*

Calverton, Maryland  
December 7, 2012, except for the Schedule of  
Expenditures of Federal Awards which is dated October 1, 2012

**PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2012**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. Department of Education</b>			
Direct Programs:			
PL-384 Federal Impact Aid	84.041	N/A	\$ 89,081
Smaller Learning Communities	84.215	N/A	1,181,018
Teaching American History	84.215	N/A	340,346
TIF - Teacher Incentive	84.374	N/A	2,970,702
Gear Up - Federal Steps	84.334	N/A	692,673
Subtotal Direct Programs			5,273,820
<b>Pass-through Programs From Maryland State</b>			
<b>Department of Education:</b>			
Special Education (cluster):			
2012 State Pass-through	84.027	12425801	23,165,689
2012 State Pass-through/IDEA Part B PPPSS	84.027	12425802	86,493
SE Advisory Committee	84.027	12425806	2,500
Governors Transition	84.027	12425807	6,000
Personnel Development	84.027	12425808	45,943
2011 State Pass-through	84.027	12518301	667,841
2011 State Pass-through/Part B CEIS	84.027	12518302	1,762,566
Parent Educator	84.027	12425805	9,999
Assistive Technology	84.027	11479801	305
High School Assessment (HSA)	84.027	12460001	65,569
Support For Students With Emotional Disturbance	84.027	12459901	38,433
Support For Students With Emotional Disturbance	84.027	11480001	4,491
Parent Leadership and Engagement	84.027	12476001	19,995
SAS	84.027	12477301	39,987
ECLINKS	84.027	11479901	1,623
Infants & Toddlers	84.027	INFTOD4602	118,116
Spec Ed - MSDE Personnel Assignments	84.027	MSDE Contract	275,268
MMSR Staff Development	84.173	12456302	30,553
MMSR Staff Development	84.173	11454403	28,947
Preschool Pass-through	84.173	12425803	590,251
Preschool Pass-through/PPPSS	84.173	12425804	1,465
2011 Preschool Pass-through/CEIS	84.173	12518303	66,533
Pass-through ARRA 2 IDEA Part B	84.391	10465601	2,991,984
Pass-through ARRA 2 IDEA PPPSS	84.391	10465603	68
Pass-through ARRA 2 IDEA Preschool	84.392	10465602	238,146
Subtotal Special Education (cluster)			30,258,765
Title I			
Title I Part A - FY11	84.010	11445401	5,029,612
Title I Part A - FY12	84.010	12453901	22,919,331
FY 12 Title I School Improvement (SIG) 1003(a)	84.010	12557601	4,910
FY 11 Title I School Improvement 1003(a)	84.010	11586401	396,908
Title I Grant Local School System	84.010	12436201	55,790
Total Title I, Part A (cluster)			28,406,551
Title I 1003(g)-School Improvement Grant	84.377	11472801	444,059
Title I 1003(g)-School Improvement Grant II	84.377	12475301	1,344,915
Title I 1003(g)-School Improvement Grant II	84.377	12475401	866,061
ARRA Title I School Improvement 1003(g)	84.388	11472701	1,749,556
ARRA Title I School Improvement 1003(g)-Year II	84.388	12539001	3,329,781
Subtotal Title I School Improvement			7,734,372
Subtotal Title I			36,140,923



**PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2012**  
(Continued)

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>Pass-through Programs From Maryland State</b>			
<b>Department of Education (Cont.):</b>			
Enhancing Education Through Technology:			
Title II	84.318	12428101	\$ 81,361
Title II	84.318	10500701	38,746
MD Technology Proficiency Partnership -Enhancing Education through Technology	84.318	Montgomery Co.	3,454
MD Technology Proficiency Partnership -Enhancing Education through Technology	84.318	Montgomery Co.	3,205
MD Technology Proficiency Partnership -Enhancing Education through Technology	84.318	Montgomery Co.	20,992
ARRA Enhancing Education through Technology Program	84.386	Baltimore City	19,823
ARRA MD Stem Portfolio Project	84.386	Anne Arundel Co.	22,265
ARRA College and Career Readiness Support Project	84.386	Howard Co.	175
Total Enhancing Education Through Technology (cluster)			190,021
Perkins - Title IC Program Improvement	84.048	12415701	47,411
Perkins - Title IC Program Improvement	84.048	12541801	857,201
Homeless Education	84.196	12442801	79,929
Even Start-Judy Hoyer Center	84.213	11586301	20,372
Perkins - Title II-Tech Prep Education	84.243	12541802	3,969
Gear-Up II-Focus on Mathematics Year 6	84.334	11464401	845
Title III-English Language Acquisition	84.365	10462801	159,201
Title III-English Language Acquisition	84.365	11519101	775,152
Title III-English Language Acquisition	84.365	12429601	1,821,249
Title II	84.367	10460601	117,100
Title II	84.367	11428201	2,174,319
Title II	84.367	12421401	1,946,361
			8,003,109
Subtotal Title II & Title III			8,193,130
ARRA Race To The Top	84.395	11575301	1,425,494
ARRA Race To The Top	84.395	11575302	274,452
ARRA Race To The Top	84.395	11575303	21,083
ARRA Race To The Top	84.395	11575304	353,081
ARRA Race To The Top	84.395	11575305	75,646
ARRA Race To The Top	84.395	11575306	133,942
ARRA Race To The Top	84.395	11575307	4,651
ARRA Race To The Top	84.395	11575308	271,663
ARRA Race To The Top	84.395	11575309	530,310
ARRA Race To The Top	84.395	11575310	568,848
ARRA Race To The Top	84.395	11575311	363,587
ARRA Race To The Top	84.395	11575312	164,582
ARRA RTTT Educator Effectiveness Academy and Teacher Induction Academy	84.395	12463501	199,750
ARRA RTTT Educator Effectiveness Academy and Teacher Induction Academy	84.395	12463502	48,988
ARRA RTTT Educator Effectiveness Academy and Teacher Induction Academy	84.395	12463503	2,031
ARRA RTTT Educator Effectiveness Academy and Teacher Induction Academy	84.395	12463504	4,875
ARRA RTTT Career and Technology Education	84.395	12516001	64,580
ARRA RTTT Teacher/Principal Evaluation-Project 29/48 Year 2	84.395	12524701	11,179
ARRA RTTT World Language Pipeline Grant	84.395	12452001	26,616
ARRA RTTT World Language Pipeline Grant Year 2	84.395	12538901	4,946
ARRA RTTT Physical Activity	84.395	12542401	4,915
ARRA RTTT Compensation Incentives to Teachers in Shortage Areas (STEM, SPED, and ELL) (34/51)	84.395	12552001	70,000
ARRA RTTT Compensation Incentives for Teachers and Principals in the Lowest 5% of Schools (33/50)	84.395	12552201	252,109
Subtotal Race to the Top			4,877,328
ARRA Education Jobs Fund	84.410	12560701	468,638
Subtotal Maryland State Department of Education			79,938,784

**PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2012**  
(Continued)

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>Pass-through Programs From Maryland State</b>			
<b>Department of Education (Cont.):</b>			
Minority Student Pipeline Math Science Partnership	47.076	University System of MD	\$ 953,875
National Board for Professional Teaching Standards	84.925	Service Agreement	23,021
JHU - New Horizon	43.006	John Hopkins University	831
Prince George's County Department of Family Services:			
Infants and Toddlers	84.181	INFTOD4632	53,783
Infants and Toddlers	84.181	INFTOD4612	24,119
Infants and Toddlers	84.181	INFTOD4621	109,156
Infants and Toddlers	84.181	INFTOD4622	216,565
Infants and Toddlers	84.181	INFTOD4641	430,454
Subtotal Pass-through Programs			<u>81,750,588</u>
Total U.S. Department of Education			<u>87,024,408</u>
<b>U.S. Department of Agriculture</b>			
Pass-through Programs From Maryland State			
Department of Education			
Child Nutrition Cluster:			
Food Commodities	10.555	N/A	3,006,994
School Breakfast Program	10.553	N/A	9,329,123
National School Lunch Program	10.555	N/A	27,769,261
Summer Food Service	10.559	N/A	315,311
Total Child Nutrition (cluster)			<u>40,420,689</u>
Child & Adult Care Food Program	10.558	N/A	3,237,521
Fresh Fruits & Vegetables	10.582	N/A	383,311
Total U.S. Department of Agriculture			<u>44,041,521</u>
<b>U.S. Department of Health and Human Services</b>			
Direct Programs:			
Head Start	93.600	N/A	6,187,746
ARRA-Head Start	93.708	N/A	57,993
Total Head Start (cluster)			<u>6,245,739</u>
Pass-through Programs From Maryland State			
Department of Education			
Sexual Harassment/Assault Prevention-FY11	93.991	11583301	14,864
UMD/NIH-Be Active Kids Physical Education	93.389	University of MD	682
Total U.S. Department of Health and Human Services			<u>6,261,285</u>
<b>U.S. Department of Defense</b>			
Direct Programs:			
JROTC	12.900	N/A	2,088,845
DODEA	12.556	N/A	62,977
Total U.S. Department of Defense			<u>2,151,822</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 139,479,036</u></u>

**PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**June 30, 2012**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting School**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Prince George's County Public Schools (the Schools) for the year ended June 30, 2012.

**Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes all Federal grants to the Schools that had activity during the fiscal year ended June 30, 2012. The Schedule was prepared on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**NOTE 2 – RELATION TO THE BASIC FINANCIAL STATEMENTS AND  
FEDERAL FINANCIAL REPORTS**

Total expenditures per the Schedule of Expenditures of Federal Awards reconciles to the Schools' basic financial statements as follows:

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

Federal – General Fund	\$ 104,001,385
Federal – Special Revenue	41,035,895
Federal – Donated	<u>3,094,797</u>
<b>Total per financial statements</b>	<b><u>\$ 148,132,077</u></b>
<b>Total expenditures per Schedule of Expenditures of Federal Awards</b>	<b>\$ 139,479,036</b>
Federal revenues included in the basic financial statements that are not required to be included in the Schedule:	
Medicaid funds	4,009,614
Adjustments to account for encumbrances, prior year revenue and summer food service	4,458,733
USDA Commodities at June 30, 2012	87,803
Reconciling Items on SEFA Immaterial to Financial Statements	96,896
Rounding	<u>(5)</u>
<b>Total per SEFA</b>	<b><u>\$ 148,132,077</u></b>

**PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2012**

**I. Summary of Independent Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?	_____	Yes	_____X_____	No
Significant deficiency(ies) identified that are not considered to be material weaknesses	_____	Yes	_____X_____	None reported
Noncompliance material to financial statements noted?	_____	Yes	_____X_____	No

**Federal Awards**

Internal control over major programs: Unqualified

Material weakness(es) identified?	_____	Yes	_____X_____	No
Significant deficiency(ies) identified that are not considered to be material weaknesses	_____X_____	Yes	_____	None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	_____X_____	Yes	_____	No
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**Identification of Major Programs**

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number(s)</u>
Child Nutrition Cluster	10.553,10.555,10.559
Title I	84.010
School Improvement Grants	84.377,84.388
Child and Adult Care Food Program	10.558
Title II	84.367
Special Education Cluster	84.027,84.173, 84.391,84.392
Race to the Top	84.395
Education Jobs Fund	84.410

Dollar threshold used to distinguish between type A and type B programs: \$ 3,000,000

Auditee qualified as low-risk auditee?	_____X_____	Yes	_____	No
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**PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2012**

**II. Financial Statement Findings**

**NONE**

**III. Federal Award Findings and Questioned Costs**

***Finding No 2012-01*** Payroll costs were not consistently approved by supervising staff.  
(Internal Control and Compliance)

**Federal Program:** Title II Part A

**CFDA #** 84.367

**Grant Year:** FY 2012

**Condition** Substitute hours charged to the program were not approved by supervisory personnel, in this case, the Principal. We were unable to verify the accuracy of the payroll costs charged to the grant.

**Criteria:** The A-102 Common Rule requires that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

**Cause:** The Principal was not available to approve the substitute's time card.

**Effect:** The School was unable to support employee salary costs charged to the federal program.

**Questioned Costs:** \$100 represents the unapproved substitute costs charged to the program.

**Context:** 1 out of 40 timesheets tested did not have supervisory approval.

**Recommendation:** The Schools should maintain evidence of timesheet approval on a consistent basis, as required by the Schools' procedures.

**Management**

**Response:** **Concur.** Administrative Procedure 4132, Timekeeping and Leave Reporting, assigns timekeeping and leave reporting responsibilities to school principals, as time approvers and/or leave granting authorities. This procedure describes types of source documentation required to support timekeeping and leave reporting responsibilities. The information Technology Division also provides mandatory training for prospective time approvers and timekeepers as a requirement for fulfilling their time and leave accountability responsibilities. Payroll and Benefits Services assigns a dedicated Payroll Clerk to each school for technical assistance

**PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2012**

as needed and a time and leave reporting analyst is available to assist in trouble shooting and resolving timekeeping or time approving issues.

Schools should maintain employee time and leave documentation that allows for accurate time approval. The Payroll and Benefits Services Office has developed several controls designed to ensure that timecards are approved on a consistent basis. Schools are advised of time and leave entry and timecard approval procedures biweekly through the distribution of a Time Approval Schedule. In addition, principals are notified via e-mail, two times after time cards are supposed to be approved, of any timecards that have not been approved and are directed to approve the timecards. Following these two notifications, the principal's supervisor is notified via e-mail of timecards that have not been approved and directs that the timecards need approval.

The following additional actions will be taken to ensure time cards are approved by supervisory personnel. The Payroll Analyst will provide the time approval report to the Grant Analysts that identify employees' timecards funded by grant funds that have not been approved by supervisory personnel. If timecards have not been approved, the grant analysts will coordinate with the Payroll Clerks to ensure that all timecards are approved by supervisory personnel.

**PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2012**

**Finding No 2012-02** The Schedule of Federal Awards included program expenditures for FY 2011. (Internal Control)

**Federal Program:** Title II Part A

**CFDA #** 84.367

**Grant Year:** FY2012

**Condition:** FY 2011 program costs were incorrectly recorded as FY 2012 costs. The costs were immaterial to the FY 2011 financial statements.

**Criteria:** The A-102 Common Rule requires that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

**Cause:** The costs were not properly accrued as FY 11 costs.

**Effect:** The SEFA may not accurately reflect all program expenditures incurred and/or paid for the audit period.

**Questioned Costs:** None, costs and activities were allowable.

**Context:** 2 out of 40 program expenses tested were identified as a fiscal year 2011 costs.

**Recommendation:** We recommend that Prince George's County Public Schools review expenditures to ensure that they were incurred within the current fiscal year and reported on the Schedule of Expenditures of Federal Awards accurately.

**Management Response:**

**Concur.** The Grants Financial Management Office is a newly created office as a result of the reorganization within the Business Management Services Division. It was created to effectively improve our ability to strategically spend grant dollars in accordance with regulatory and statutory requirements. As a result of the newly formed office, the Grant Analysts will work closely with the Program Managers to ensure that transactions expenditure postings occur within the period of availability that will promote timely and accurate reporting of major federal grant programs.

**PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**June 30, 2012**

***Finding No 2011-3, 2010-01 Supervisory Review was not consistently performed***  
(Internal Control)

**Federal Program:** Child Nutrition Cluster - CFDA #10.553, 10.555, and 10.559  
Child and Adult Care Food - CFDA #10.558

**Client Status:** Resolved.

**Auditor Status:** Resolved. Program tested as major with no exceptions noted in FY12.

***Finding No 2011-04 Supplemental Education Services (SES) listing did not accurately identify all eligible schools.*** (Internal Control and Compliance - Earmarking)

**Federal Program:** Title I Part A - CFDA #84.010, 84.389

**Client Status:** Resolved.

**Auditor Status:** Resolved. Program tested as major with no exceptions noted in FY12.

***Finding No 2011-05 Inaccurate Individualized Education Program (IEP) Reporting***  
(Internal Control and Compliance-Reporting)

**Federal Program:** Special Education Cluster - CFDA #84.027, 84.173, 84.391, 84.392

**Client Status:** Resolved.

**Auditor Status:** Resolved. Program tested as major with no exceptions noted in FY12.

***Finding No 2011-06 Time and Effort reporting was not consistently performed in accordance with the Schools' procedures.***  
(Internal Control and Compliance - Allowable Costs and Activities)

**Federal Program:** Title I Part A - CFDA # 84.010, 84.389  
School Improvement Cluster - CFDA # 84.377, 84.388  
Education Jobs Fund - CFDA #84.410  
Child and Adult Care Food - CFDA #10.558  
Child Nutrition Cluster - CFDA #10.553, 10.555, 10.559

**Client Status:** Resolved.

**Auditor Status:** Resolved. Programs tested as major with no exceptions noted in FY12.