

Board of Education of Howard County, Maryland
Howard County Public School System
10910 Clarksville Pike
Ellicott City, Maryland 21042

In planning and performing our audit of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Howard County Public School System ("HCPSS"), a component unit of Howard County, Maryland, as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered HCPSS's internal control over financial reporting ("internal control") as a basis for designing auditing 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 HCPSS's internal control. Accordingly, we do not express an opinion on the effectiveness of HCPSS's internal control. We refer you to our 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* dated October 29, 2020.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did identify deficiencies in internal control that we consider to be material weaknesses, which are included in our Report on Internal Control over Financial Reporting and on Compliance and Other Matters referred to in the preceding paragraph. In addition to the material weaknesses noted in the aforementioned report, we identified certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated October 29, 2020 on the financial statements of Howard County Public School System.

We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. Our comments are summarized as follows:

Resource Management

During the fiscal year and up through our report date, the finance department experienced turnover and vacant positions. Due to the loss of key personnel and their institutional knowledge, as well as a lack of formalized standard operating procedures in several internal control processes, we observed several challenges in obtaining timely and accurate information related to our audit; specifically, accurate final adjusted trial balances, supporting schedules, and draft financial statements.

Recommendations

To minimize the impact from any future turnover and to help with continued job satisfaction, we recommend that the finance department management consider the following:

- Cross train roles and duties; and
- Reassess and/or implement formalized standard operating procedures to make sure all areas of the finance department are operating at an optimal level. Ensure that the documented policies and procedures include all key processes, roles and responsibilities as well as how each process incorporates the use of HCPSS's financial system, WorkDay.

Management Response

- During FY 2020, the Finance Department experienced turnover and went through a budget neutral reorganization to add additional staff to support process improvement and build capacity for stronger financial oversight. Unfortunately, the turnover situation during the year was compounded by the COVID-19 pandemic, which delayed hiring of new staff. Consequently, progress on this finding was slowed during FY 2020. In addition to establishing period close procedures, with all positions now filled in the Finance Department, staff will be updating internal control processes and standard operating procedures to ensure effective controls for accounting functions by the end of the 2020 calendar year.

Information Technology

We noted several matters and areas of improvement related to the Information Technology design and controls which have been communicated directly to management.

Management Response

- Management continues to review information technology design and controls to support best practices for the technology in place for staff and students. HCPSS has taken aggressive action to address design and controls and communicate them to the appropriate staff and management.

We believe that the implementation of these recommendations will provide HCPSS with a stronger system of internal control while also making its operations more efficient. We will be happy to discuss the details of these recommendations with you at your convenience.

This communication is intended solely for the information and use of the Board of Education of Howard County and management of Howard County Public School System, and the Maryland State Department of Education, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,



Baltimore, Maryland
October 29, 2020