


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

December 10, 2019

MEMORANDUM

To: Mrs. Julie A. Broyles, Acting Chair
Centralized Investment Fund Advisory Council

From: Mary J. Bergstresser, Acting Supervisor, Internal Audit 

Subject: Fiscal Year 2019 Audit of the Centralized Investment Fund

We have audited the accompanying financial statements of the Montgomery County Public Schools (MCPS) Centralized Investment Fund (CIF) for the year ending June 30, 2019 (refer to attachment). These financial statements are the responsibility of CIF management. Our responsibility is to express opinions on these financial statements based on our audit.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the CIF as of June 30, 2019, and the changes in its net assets.

Pertaining to the financial position of the CIF, the ending balance decreased \$389,126 from \$10,372,547 to \$9,983,421, while net interest income increased \$67,270 from \$54,406 to \$121,676 compared to the previous fiscal year.

The Division of Financial Services is responsible for administering the daily functions of maintaining the CIF, in accordance with the established guidelines for the safe and efficient management of its funds in the MCPS Centralized Investment Fund Statement of Investment Policy. The electronic transfer of funds between a school's CIF account and its checking account via the Automated Clearing House (ACH) reduces the workload for financial agents within the schools. MCPS continues to partner with Sandy Spring Bank to manage the investment of the CIF assets. Interest income and expenses are allocated to schools based on the average daily balance in the individual school's CIF account. Expenses allocated include administrative salaries, associated fringe benefits, and bank analysis fees.

At our November 21, 2019, meeting with you and the CIF advisory council, we discussed a few issues that did not represent material internal control weaknesses. We appreciate the cooperation and assistance of you and staff in the Division of Financial Services including Mr. Robert Reilly, director; Mrs. Sheila M. Shifflett, staff accountant; and Mrs. Linda Bao, staff accountant. No response to this audit report is necessary.

MJB:BK:lsh

Attachment

Copy to:

Members of the Board of Education

Dr. Smith

Dr. McKnight

Dr. Navarro

Dr. Statham

Dr. Zuckerman

Dr. Johnson

Mr. Civin

Mrs. Camp

Mrs. Chen

Ms. Diamond

Mr. Reilly

Mr. Tallur

Mr. Marella

Ms. Webb