

Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

October 11, 2021

MEMORANDUM

To: Ms. Wendy M. Davis, Chair
Centralized Investment Fund Advisory Council

From: Mary J. Bergstresser, Supervisor, Internal Audit 

Subject: Fiscal Year 2021 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, 2021 (refer to the attachment). These financial statements are the responsibility of the MCPS CIF management team. The Internal Audit Unit staff has the responsibility of sharing opinions on these financial statements based on the 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, 2021, and the changes in its net assets.

Pertaining to the financial position of the CIF, the ending balance increased \$531,549 from \$9,974,489 to \$10,506,038, while net interest income decreased \$95,495 from \$120,390 to \$24,894 compared to the previous fiscal year.

The Division of Financial Services staff are 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 CIF 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 September 23, 2021, virtual 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, Mr. Robert Reilly, associate superintendent, Office of Finance; and Mrs. Sheila M. Shifflett, staff accountant, Division of Financial Services.

No response to this audit report is necessary.

MJB:HT:lsh

Copy to:

Members of the Board of Education

Dr. McKnight

Mr. D'Andrea

Ms. Dawson

Ms. Reuben

Mrs. Williams

Mr. Reilly

Mrs. Chen

Mrs. Eader

Mr. Klausling

Ms. Webb