

**BOARD OF EDUCATION OF
BALTIMORE COUNTY, MARYLAND
Baltimore, Maryland**

**REPORT ON SINGLE AUDIT
June 30, 2009**

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**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 Baltimore County
Baltimore, Maryland

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of Baltimore County (the Board), as of and for the year ended June 30, 2009, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated September 26, 2009. 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

In planning and performing our audit, we considered the Board's 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 Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Board's financial statements that is more than inconsequential will not be prevented or detected by the Board's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Board's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 the Board's 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 also noted certain additional matters that we reported to management in a separate letter dated September 26, 2009.

This report is intended solely for the information and use of the Budget and Audit Committee, the Board's 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.

Clifton Henderson LLP

Baltimore, Maryland
September 26, 2009

**Independent Auditor's Report on Compliance with
Requirements Applicable to Each Major Program and on
Internal Control Over Compliance and Schedule of Expenditures of
Federal Awards in Accordance with OMB Circular A-133**

Members of the
Board of Education of Baltimore County
Baltimore, Maryland

Compliance

We have audited the compliance of the Board of Education of Baltimore County (the Board) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The Board of Education of Baltimore County's 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 Board's management. Our responsibility is to express an opinion on the Board of Education of Baltimore County 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 Board's 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 Board's compliance with those requirements.

In our opinion the Board of Education of Baltimore County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with the earmarking requirement for Special Education Early Intervening Services (EIS), which is required to be reported in accordance with OMB Circular A-133 and is described in the accompanying schedule of findings and questioned costs as item 09-01.

Internal Control Over Compliance

The management of the Board of Education of Baltimore County 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 Board's 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, 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 Board's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the Board's internal control that might be significant deficiency or material weaknesses as defined below. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency.

A control deficiency in the Board's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Board's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 09-01 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Board's internal control. We did not consider the deficiency described as 09-01 in the accompanying schedule of findings and questioned costs to be a material weakness.

The Board's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Board's response and, accordingly, we express no opinion on it.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of Baltimore County, as of and for the year ended June 30, 2009, and have issued our report thereon dated September 26, 2009. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education of Baltimore County'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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, 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 Budget and Audit Committee, the Board's 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.

Clifton Gundersen LLP

Baltimore, Maryland
September 26, 2009

BOARD OF EDUCATION OF BALTIMORE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U. S. Department of Agriculture:			
Pass-through Program from Maryland State			
Department of Education:			
Child Nutrition Cluster:			
Federal Donations of Food Commodities	10.555	—	\$ 1,850,239
National School Lunch Program	10.555	—	12,884,378
After-School Snack Program	10.555	—	46,205
National School Breakfast Program	10.553	—	3,595,296
National School Summer Food Service Program	10.559	—	338,185
Total Child Nutrition Cluster			<u>18,714,303</u>
Fresh Fruit and Vegetable Program	10.582	—	39,066
Wellness Monitoring FY 09	10.560	900758-01	<u>1,000</u>
Total U.S. Department of Agriculture			<u>18,754,369</u>
National Security Agency:			
Mathematical Sciences Program			
Direct Program:			
BCML & BCMT FY 09	12.901	H98230-09-2-0083	4,623
SIEST FY 09	12.901	H98230-08-2-0003	<u>49,923</u>
Total National Security Agency			<u>54,546</u>
U.S. Department of Justice:			
Public Safety Partnership and Community Policing Grants			
Direct Program:			
COPS FY 07	16.710	COPS-SOS-2006-1	<u>130,509</u>
Total U.S. Department of Justice			<u>130,509</u>
U.S. Department of Labor:			
Job Training and Partnership Act:			
Pass-through Program from Baltimore County, Maryland:			
WIA Youth Activities:			
Life Works FY 08	17.259	3030708	2,861
Life Works FY 09	17.259	M7023-07	<u>205,707</u>
Total U.S. Department of Labor			<u>208,568</u>
National Science Foundation:			
Pass-through Program from University of Maryland, Baltimore County:			
NSF STEM FY 08	47.076	EHR-0514420	<u>164,805</u>
Total National Science Foundation			<u>164,805</u>

BOARD OF EDUCATION OF BALTIMORE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U. S. Department of Education:			
Adult Education State Grant program:			
Pass-through Program from Maryland State			
Department of Education:			
Adult Basic Education FY 09	84.002A	900365-03	\$ 10,249
Adult Secondary Education FY 09	84.002A	900365-04	2,218
Local Institutionalized FY 09	84.002A	900365-05	3,372
Total Adult Education Programs			<u>15,839</u>
Title I Grants to Local Educational Agencies:			
Pass-through Program from Maryland State			
Department of Education:			
Recognition Awards FY 08	84.010	802061-01	8,569
Recognition Awards FY 09	84.010	901860-01	41,600
Title I FY 08	84.010	800728-01	5,219,786
Title I FY 09	84.010	900628-01	17,167,802
School Improvement FY 08	84.010	800874-01	32,769
Title I Part D - Neglected and Delinquent Youth FY 08	84.010	801902-01	27,608
Title I Part D - Neglected and Delinquent Youth FY 09	84.010	901243-01	32,726
Total Title I Grants			<u>22,530,860</u>
Special Education:			
Pass-through Program from Maryland State			
Department of Education:			
Special Education Cluster:			
Pass-through FY 08	84.027	800152-01	1,140,839
Pass-through FY 09	84.027	900294-01	16,468,111
Supplemental Pass-through FY 08	84.027	800152-03	6,022
Supplemental Pass-through FY 09	84.027	900294-02	9,449
Special Education Advisory Council FY 08	84.027	800152-04	792
Special Education Advisory Council FY 09	84.027	900294-02	750
Personnel Development FY 08	84.027	800152-02	15,673
Personnel Development FY 09	84.027	900294-02	45,612
Least Restrictive Environment (LRE) FY 08	84.027	800152-05	31,256
Least Restrictive Environment (LRE) FY 09	84.027	900294-02	196,157
Pass-through Carryover From FY 07 to FY 08	84.027	801756-01	166,623
Infants and Toddlers Part B FY 08	84.027	800240-02	24,325
Infants and Toddlers Part B FY 09	84.027	900251-02	144,617
Infants and Toddlers FY 09 - Part B Supplemental	84.027	802300-01	354,856
Supporting Students with Emotional Disturbance FY 09	84.027	901493-01	27,518
MD HAS International Grant FY 09	84.027	900313-01	61,335
ALT - MSA FY 09	84.027	900310-01	10,361
Reduction of Disproportionality of Minorities FY 09	84.027	900322-01	10,842
Passthrough EIS FY 09	84.027	900294-01	2,916,224
Total Special Education Pass-through Program			<u>21,631,362</u>

BOARD OF EDUCATION OF BALTIMORE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U. S. Department of Education, continued:			
Special Education: Preschool — IDEA Part B: Pass-through Program from Maryland State			
Department of Education:			
MMSR Federal FY 08	84.173	801008-02	\$ 8,498
MMSR Federal FY 09	84.173	901263-02	18,385
Preschool Pass-through FY 09	84.173	900294-03	628,317
Preschool Pass-through Carryover to FY 08	84.173	801756-02	2,777
Preschool Pass-through Carryover to FY 09	84.173	900861-01	63,816
Infants and Toddlers Part B FY 09	84.173	900251-03	1,350
Total IDEA Part B			<u>723,143</u>
Total Special Education Cluster			<u>22,354,505</u>
Career and Technical Education - Basic Grants to States: Pass-through Program from Maryland State			
Department of Education:			
Perkins FY 08	84.048	801220-01/02	12,448
Perkins FY 09	84.048	900962-01/02	919,239
Project Lead the Way FY 08	84.048	801528-01	2,319
Project Lead the Way FY 09 - Dulaney HS	84.048	901560-01	30,799
Project Lead the Way FY 09 - Parkville HS	84.048	901560-01	32,149
Automotive Technician Equipment FY 09	84.048	901734-01	3,882
High Schools That Work FY 09	84.048	901561-01	14,104
Total Career and Technical Education			<u>1,014,940</u>
Special Education: Preschool — IDEA Part C: Pass-through Program from Maryland State			
Department of Education:			
Infants and Toddlers Part C FY 09	84.181	900251-01	459,465
Total IDEA Part C			<u>459,465</u>
Safe and Drug Free Schools and Communities: Pass-through Program from Maryland State			
Department of Education:			
Title IV - Safe and Drug Free Schools FY 07	84.186	700194-01	134
Title IV - Safe and Drug Free Schools FY 08	84.186	800398-01	241,474
Title IV - Safe and Drug Free Schools FY 09	84.186	900412-02	248,503
Total Safe and Drug Free Schools			<u>490,111</u>
Education for Homeless Children and Youths Pass-through Program from Maryland State			
Department of Education:			
Education for Homeless Children and Youths FY 08	84.196A	801908-01	42,538
Education for Homeless Children and Youths FY 09	84.196A	900966-01	95,613
Total Education for Homeless Children and Youths			<u>138,151</u>
Javits Gifted and Talented Students Education: Pass-through Program from Maryland State			
Department of Education:			
Javits - Potential & Promise In Primary Students FY 08	84.206A	801330-01	17,703
Total Javits Gifted and Talented Students Education			<u>17,703</u>

BOARD OF EDUCATION OF BALTIMORE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U. S. Department of Education, continued:			
Fund for Improvement of Education — ESEA Title X			
Direct Program:			
Smaller Learning Communities FY 05	84.215L	V215L042100	\$ 9,618
Teaching American History FY 06	84.215X	U215X050138	224,722
Total Fund for Improvement of Education			<u>234,340</u>
Tech Prep Education Program:			
Pass-through Program from Maryland State			
Department of Education:			
Perkins FY 09	84.243	900962-03/04	109,443
Total Tech Prep Education			<u>109,443</u>
Charter Schools:			
Pass-through Program from Maryland State			
Department of Education:			
Charter School Implementation FY 09	84.282A	901780-01	248,882
Total Charter Schools			<u>248,882</u>
Innovative Education Program Strategies:			
Pass-through Program from Maryland State			
Department of Education:			
Title V FY 08	84.298	800754-01	110,620
Total Innovative Education Program Strategies			<u>110,620</u>
Technology Literacy Challenge Fund Grant:			
Pass-through Program from Maryland State			
Department of Education:			
Education Technology Formula Title II D FY 08	84.318	800953-01	141,338
Education Technology Formula Title II D FY 09	84.318	900803-01	20,872
Algebra Collaborative Sustainability FY 07	84.318	701797-01/02	23,210
Education Technology E-learning FY 07	84.318	701796-01/02	165,467
Prealgebra Consortium FY 08	84.318	801327-01	316,338
Pass-through Program from Montgomery County:			
Student Tech Literacy - TL8 - FY 08	84.318	MCPS	6,888
Total Technology Literacy Challenge Fund			<u>674,113</u>
Advanced Placement Incentive Program:			
Pass-through Program from Maryland State			
Department of Education:			
Nexus FY 08	84.330C	800685-01	30,908
Nexus FY 09	84.330C	901801-01	8,422
Total Advanced Placement Incentive Program			<u>39,330</u>
Gaining Early Awareness and Readiness for			
Undergraduate Program (Gear Up):			
Pass-through Program from Maryland State			
Department of Education:			
Gear Up FY08	84.334S	801212-01	41,813
Gear Up FY09	84.334S	900508-01	136,057
Total Gear Up			<u>177,870</u>

BOARD OF EDUCATION OF BALTIMORE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U. S. Department of Education, continued:			
Reading First State Grants			
Pass-through Program from Maryland State			
Department of Education:			
Reading First FY 07- Line 2	84.357A	700921-02	\$ 64,401
Reading First FY 08- Line 1	84.357A	801582-01	413,031
Reading First FY 09	84.357A	901129-01	1,023,268
Total Reading First			<u>1,500,700</u>
English Language Acquisition:			
Pass-through Program from Maryland State			
Department of Education:			
Title III - Language Acquisition FY 07	84.365A	700348-01	1,571
Title III - Language Acquisition FY 08	84.365A	800602-01	254,740
Title III - Language Acquisition FY 09	84.365A	900539-01	347,393
Title III - Line 2 - Immigrant FY 09	84.365A	900539-02	3,052
Total English Language Acquisition			<u>606,756</u>
Improving Teacher Quality State Grants:			
Pass-through Program from Maryland State			
Department of Education:			
Title II FY 07	84.367	700638-01	451,403
Title II FY 08	84.367	800780-01	2,187,791
Title II FY 09	84.367	900581-01	712,258
Measuring Technology Literacy FY 08	84.367	801948-01	129,001
Total Improving Teacher Quality State Grants			<u>3,480,453</u>
Total U. S. Department of Education			<u>54,204,081</u>
U.S. Department of Health and Human Services:			
Acquired Immunodeficiency Syndrome (AIDS) Activity:			
Pass-through Program from Maryland State			
Department of Education:			
Sexual Harassment and Assault Prevention FY 08	93.991	801625-01	2,547
Sexual Harassment and Assault Prevention FY 09	93.991	901892-01	13,172
Total Acquired Immunodeficiency Syndrome (AIDS) Activity			<u>15,719</u>
Total U.S. Department of Health and Human Services			<u>15,719</u>
Corporation for National and Community Service:			
Learn and Service America:			
Pass-through Program from Maryland State			
Department of Education:			
FY 08 Learn and Service America	94.004	801525-01	353
FY 09 Learn and Service America	94.004	900741-01	15,000
Total Corporation for National and Community Service			<u>15,353</u>
Total Expenditures of Federal Awards			\$ <u>73,547,950</u>

BOARD OF EDUCATION OF BALTIMORE COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Board of Education of Baltimore County, Maryland (the Board), a component unit of Baltimore County, Maryland, for the year ended June 30, 2009.

Basis of Accounting

The accompanying Schedule has been prepared using the modified accrual basis of accounting, except for the U.S. Department of Agriculture (USDA) programs which are presented using the accrual basis of accounting. This basis of accounting is fully described in Note 1 to the Board's basic financial statements.

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

Amounts reported in the accompanying Schedule agree with amounts reported in the Board's basic financial statements and the related federal financial reports submitted by the Board.

The following is a reconciliation of federal awards reported in the Schedule to federal revenue reported in the Board's basic financial statements for the year ended June 30, 2009:

Total federal expenditures reported in the Schedule	\$ 73,547,950
Federal revenues included in the basic financial statements that are not required to be included in the Schedule:	
Medicaid funds under contract for services	6,637,193
R.O.T.C funds under contract for services	1,290,459
Medicare Part D	<u>117,205</u>
Total	<u>\$ 81,592,807</u>
Total federal revenues reported in the basic financial statements:	
Special Revenue Fund	\$ 61,431,774
Food Service Fund	18,753,369
General Fund	<u>1,407,664</u>
Total	<u>\$ 81,592,807</u>

BOARD OF EDUCATION OF BALTIMORE COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2009

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 is not considered to be a material weakness.	_____	Yes	_____	X	None reported
Noncompliance material to financial statements noted?	_____	Yes	_____	X	No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	_____	Yes	_____	X	No
Significant deficiency(ies) identified that is not considered to be a material weakness.	_____	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
Special Education Cluster	84.027, 84.173
English Language Acquisition	84.365

Dollar threshold used to distinguish between type A and type B programs \$ 2,206,439

Auditee qualified as low-risk auditee?	_____	Yes	_____	X	No
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BOARD OF EDUCATION OF BALTIMORE COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2009

II. Financial Statement Findings

None

III. Federal Award Findings and Questioned Costs

Finding No. 09-01 Baltimore County Public School's (BCPS) written procedures for documenting the time and effort reporting for Early Intervening Services (EIS) were not consistently performed by the EIS teaching staff.

Federal Program: Special Education Cluster CFDA #84.027, 84.173

Condition: Time and effort documentation for 5 of the 25 EIS teaching staff selected for testing was not consistent with the BCPS' procedures. EIS expenditures related to the 5 teachers was not adequately supported.

Criteria: A-102 Common Rule requires non-federal entities that receive federal awards to establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Cause: Time and effort procedures for EIS were implemented during fiscal year 2009. The inconsistent documentation is part of the concerns inherent to the initial implementation of new procedures.

Effect: BCPS may be unable to support the Board's compliance with the earmarking requirement due to inadequate documentation for EIS expenditures.

Questioned Costs: None noted. All of the teaching staff selected for testing performed the allowed activities designated for the earmarked funds.

Recommendation: We recommend that BCPS review the current procedures for documenting EIS time and effort to ensure that earmarking compliance objectives will be met through implementation of the procedures. BCPS should establish a process for monitoring EIS time and effort reporting to ensure that the reporting is consistent with BCPS' procedures.

Management's Response: BCPS will develop and implement appropriate documentation procedures for the verification and monitoring of employees' time spent on Early Intervening Services.

BOARD OF EDUCATION OF BALTIMORE COUNTY, MARYLAND
SCHEDULE OF PRIOR YEAR FINDINGS
June 30, 2009

Finding No. 08-01 Students' enrollment status for the special education program was not accurately reported to Maryland State Department of Education (MSDE).

Condition: We noted that the enrollment status for 3 out of 25 students was incorrectly reported to MSDE.

Current Year Status: The program was selected for the FY 2009 audit. As part of the audit process, we tested the accuracy of the SSIS/EXIT report. No exceptions were noted in the sample selected for testing. Correction of the prior year's SSIS/EXIT report was not performed due to the time frame in which the finding was identified. Resolved

Finding No. 08-02 BCPS did not provide written policies and procedures detailing the Board's rationale for the selection of schools, determination of teachers' efforts and reporting requirements related to the Early Intervening Services.

Compliance with the 15% earmarking requirement was not adequately documented.

Current Year Status: The program was selected for the FY 2009 audit. As part of the audit, we inquired, reviewed and tested BCPS' rationale for selection of schools, determination of teachers' efforts and reporting requirements related to Early Intervening Services. BCPS establish processes and procedures for identifying EIS students and administering the services. Resolved