

FOR IMMEDIATE RELEASE

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HCPS AUDIT REPORT RELEASED

Harford County Public Schools (HCPS) recently participated in a financial management practices audit to evaluate whether the school system's procedures and controls are effective in accounting for and safeguarding its assets and whether its policies provide for the efficient use of financial resources.

The nine-month audit was conducted in accordance with the requirements of the State Government Article, Section 2-1220(e) of the Annotated Code of Maryland, which requires the Office of Legislative Audits (OLA) to conduct an audit of each local school system at least once every six years.

The Joint Audit Committee of the Maryland General Assembly approved the audit process in September 2004 to include 10 specific areas to be audited at each local school system: Revenue and Billing Cycle; Federal Funds; Procurement and Disbursement Cycle; Human Resources and Payroll; Inventory Control and Accountability; Information Technology; Facilities Construction, Renovation, and Maintenance; Transportation Services; Food Service Operations; School Board Oversight; and Other Financial Controls.

Some positive comments that were presented in the HCPS audit report included: no reportable conditions regarding federal grant management; comprehensive programs in place for procurement and credit card purchasing procedures; proper contracts and expenditures for capital projects; an ethics policy that meets the current requirements of state law; and an operational fraud hotline to enable employees and others to confidentially report operational concerns and suspected fraud, waste and mismanagement.

The purpose of the financial management practices audit conducted by OLA is to highlight opportunities for improvements to internal control and increased cost effectiveness. HCPS has created an action plan that identifies specific actions to improve internal control and review cost effectiveness based on the OLA's recommendations

Included in the action plan is the implementation of new bus routing software to improve HCPS' bus routing efficiency. In conjunction with that effort, HCPS will review existing transportation policies and procedures in order to incorporate formal targets and goals for bus routes.

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HCPS has already completed an action item regarding the implementation of a new security function for its business management software and has restricted user access to reduce system users' abilities to perform incompatible duties.

In addition to the legislative audit that is conducted once every six years, HCPS is also subject to many other regular and periodic audits conducted by independent accounting firms, as well as state and federal agencies.

OLA issued its first round of reports of audits of the local school systems between January 2006 and January 2011. HCPS' first report was issued in May 2008. OLA's second round of audits is currently underway and its most recent audit of the Harford County Public Schools (HCPS) was issued on January 29, 2015. The report is available on the [OLA website](#) and at <http://www.hcps.org/departments/BusinessServices/>.

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