



THE MARYLAND GENERAL ASSEMBLY  
ANNAPOLIS, MARYLAND 21401-1991

## **JOINT AUDIT AND EVALUATION COMMITTEE**

January 22, 2024

Carey M. Wright, Ed.D.  
Interim State Superintendent of Schools  
Maryland State Department of Education  
200 West Baltimore Street  
Baltimore, Maryland 21201

Dear Superintendent Wright:

A primary responsibility of the Joint Audit and Evaluation Committee is to review audit reports issued by the Office of Legislative Audits (OLA). The committee's review of the January 2023 audit report of the Maryland State Department of Education (MSDE) indicates that additional monitoring is warranted due to the nature and significance of the findings.

The audit report contained significant findings in numerous areas of MSDE's operations, including oversight and monitoring of Local Education Agencies (LEAs) and information systems security and control. Among the audit findings:

- MSDE did not ensure that Blueprint for Maryland's Future funds provided to LEAs were used in accordance with the purposes established by State law. The review disclosed that MSDE did not obtain documentation of actual LEA expenditures and compare this documentation to the related application to ensure the LEAs used the funds in accordance with the purposes established by State law.
- In order to establish increased accountability, MSDE should consider establishing a monitoring process to ensure LEAs implemented appropriate corrective actions to address findings from OLA's financial management practices audit reports. OLA's most recent audit reports of the 24 LEAs identified 318 findings, including 171 findings repeated from the respective preceding audit. MSDE did not require LEAs to periodically report on the

status of corrective actions and, consequently, lacked assurance that audit findings were appropriately addressed.

- MSDE's audits of LEA enrollment data could be more effective if the agency used a risk-based approach to determine which enrollment records to test, reviewed controls over the LEA's processes to record student attendance, and conducted a comprehensive review to determine if errors noted during its audits were the result of potential systemic issues requiring corrective action. Improving enrollment audit processes is important because State funding to the LEAs is primarily based on enrollment counts.
- OLA noted a number of deficiencies with MSDE's security and control over its information systems and network.

The committee is concerned that the prior Superintendent expressed disagreement with the audit findings and recommendations related to the oversight of the LEAs by the MSDE. Consequently, the committee requests that you review this audit report and ascertain (1) whether all recommendations have been (or will be) promptly implemented and (2) that an ongoing monitoring process exists to help ensure that the corrective actions remain in place.

Please provide the committee with a report by March 22, 2024, that outlines the implementation status of all recommendations in the audit report. Also, please advise the committee as to what specific monitoring procedures were established to help ensure that recommendations will be implemented and will remain implemented. If MSDE does not intend to implement all audit recommendations, especially those related to enhancing oversight of LEAs, then in accordance with State Government Article §2-605(1) the Committee will be compelled to consider referring this matter to the budget committees with a recommendation that future budgetary restrictions be imposed on MSDE until such time as implementation occurs.

Due to the significance of the audit findings, the committee intends to closely monitor agency implementation of audit recommendations throughout State government. Implementation will improve accountability and control over State resources, enhance compliance with laws and regulations, and make State programs more effective. Thank you for your cooperation.

Sincerely,



Senator Clarence K. Lam  
Senate Chair



Delegate Jared Solomon  
House Chair

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cc: Members, Joint Audit and Evaluation Committee  
President Clarence C. Crawford  
Deputy Superintendent Sylvia A. Lawson  
Deputy Superintendent Krishnanda Tallur  
Richard McElroy  
Secretary Katie Savage  
Greg Rogers  
Victoria L. Gruber  
Gregory A. Hook