

February 1, 2024

Mr. Richard Henry  
Inspector General  
Maryland Office of the Inspector General for Education  
100 Community Place  
Crownsville, Maryland 21032

Dear Mr. Henry:

Enclosed is the Maryland State Department of Education's (MSDE) response to the Maryland Office of the Inspector General for Education's (OIGE) Investigative Audit of the Management and Oversight of the Concentration of Poverty grant. The MSDE is committed to continuously improving its processes and internal controls and is greatly appreciative of your team's efforts in assisting the Agency to achieve this objective. The Agency also appreciates the cooperative working relationship with your office.

Should you have any questions, please contact the Office of Audits on 410-767-0103.

Best regards,



Dr. Carey Wright  
Interim State Superintendent of Schools

Enclosure

c: Krishnanda Tallur, Deputy State Superintendent for Office of Finance and Operations  
Patricia Ramallosa, Director of Audits



**MARYLAND OFFICE OF THE  
INSPECTOR GENERAL FOR EDUCATION**

Richard P. Henry  
*Inspector General*

Yvonne Brooks  
*Deputy Inspector General*

**Investigative Audit Recommendation Response Form**

Investigative Audit Number: 23-0002-A

Investigative Audit Title: Management and Oversight of the Concentration of Poverty Grant

**Recommendation 1:** MSDE should establish a multidisciplinary team of subject matter experts, legal counsel, and representatives from various departments to establish clear policies and procedures governing CoP grant management. MSDE should consider engaging stakeholders, such as AIB and LEAs, in this process. MSDE should consider utilizing consultants in the creation of these policies and procedures. This team should prioritize developing and revising policies and procedures based on criticality and relevance. This team should be in place no later than June 1, 2024.

**MSDE Response:**

<b>Opinion</b> (Concur/Non-Concur)	<b>Correction Action Plan</b> (Provide Narrative Response*)	<b>Current Status of Corrective Action</b> (Implemented/Partially Implemented/Not Yet Implemented)	<b>Estimated Date of Full Implementation of Corrective Action</b>
Concur	The Maryland State Department of Education’s (MSDE) CoP Program Manager is coordinating the development of policies and procedures governing CoP grant management with an emphasis on those which MSDE deems most critical and relevant. The development of these policies and procedures commenced during November 2023 in collaboration with the Local Education Agencies (LEAs). A draft of these procedures will be shared with the Accountability and Implementation Board. The final procedures are targeted for implementation on March 1, 2024.	Partially Implemented	March 1, 2024

\*If applicable, please include attachments that may provide better context regarding planned corrective actions.

**Recommendation 2:** MSDE should ensure these policies and procedures are regularly reviewed, maintained, and disseminated to the MSDE and LEA stakeholders. MSDE should establish an annual or bi-annual review process to ensure that policies and procedures remain current, applicable, and relevant. This process should include input from all program stakeholders to ensure continuous improvement, enhance program efficiency, and mitigate risk management.

**MSDE Response:**

<b>Opinion</b> (Concur/Non-Concur)	<b>Correction Action Plan</b> (Provide Narrative Response*)	<b>Current Status of Corrective Action</b> (Implemented/Partially Implemented/Not Yet Implemented)	<b>Estimated Date of Full Implementation of Corrective Action</b>
Concur	MSDE’s CoP Program Manager is coordinating the development of an annual review process with a target date of June 1, 2024, and implementation date of July 1, 2024. This process will incorporate feedback from program stakeholders to foster ongoing enhancement, increase program efficiency, and improve risk management. MSDE’s annual review will verify that practices remain up-to-date, suitable, and in alignment with changes in legislation. Finally, MSDE’s CoP Manager will be responsible for distributing any updated procedures to all relevant parties within MSDE and the LEAs within a timely manner.	Not Yet Implemented.	July 1, 2024

\*If applicable, please include attachments that may provide better context regarding planned corrective actions.

**Recommendation 3:** MSDE should develop a strategy for communicating the Recommendation 1 policies and procedures to all continuing eligible CoP schools. MSDE should implement training programs regarding updated policies and procedures to ensure schools’ comprehension and adherence.

**MSDE Response:**

<b>Opinion</b> (Concur/Non-Concur)	<b>Correction Action Plan</b> (Provide Narrative Response*)	<b>Current Status of Corrective Action</b> (Implemented/Partially Implemented/Not Yet Implemented)	<b>Estimated Date of Full Implementation of Corrective Action</b>
Concur	MSDE’s CoP Program Manager is developing a communication strategy for dissemination of the policies and procedures outlined in Recommendation 1 to all continuing eligible CoP schools. The strategy's development commenced in November 2023 and is targeted for completion on March 1, 2024. In this regard, MSDE’s CoP Program Manager will communicate to the LEAs on a timely basis all legislative changes which affect MSDE’s CoP policies and procedures.	Not Yet Implemented	March 1, 2024

\*If applicable, please include attachments that may provide better context regarding planned corrective actions.

**Recommendation 4:** In conjunction with Recommendations 1 through 3, MSDE should establish mechanisms for monitoring and enforcing compliance with policies and procedures. MSDE should clearly define roles and responsibilities to ensure accountability.

**MSDE Response:**

<b>Opinion</b> (Concur/Non-Concur)	<b>Correction Action Plan</b> (Provide Narrative Response*)	<b>Current Status of Corrective Action</b> (Implemented/Partially Implemented/Not Yet Implemented)	<b>Estimated Date of Full Implementation of Corrective Action</b>
Concur	MSDE’s CoP Program Manager is coordinating the development of policies and procedures for monitoring and enforcement of CoP policies and procedures. These policies and procedures will clearly define roles and responsibilities to ensure accountability. Development of these procedures commenced on January 26, 2024, and are targeted for completion and implementation on March 1, 2024.	Partially Implemented	March 1, 2024

\*If applicable, please include attachments that may provide better context regarding planned corrective actions.

**Recommendation 5:** MSDE should establish an ongoing audit of the LEAs’ Blueprint expenses and practices and compliance with the developed policies. MSDE should consider incorporating the internal audit group to conduct periodic reviews of submitted program expenditures. MSDE should share the results of these audits with LEAs to support program compliance, increase spending consistency awareness, and limit program risk management.

**MSDE Response:**

<b>Opinion</b> (Concur/Non-Concur)	<b>Correction Action Plan</b> (Provide Narrative Response*)	<b>Current Status of Corrective Action</b> (Implemented/Partially Implemented/Not Yet Implemented)	<b>Estimated Date of Full Implementation of Corrective Action</b>
Non-Concur	<p>Recommendation 5 contains three issues.</p> <p>Issue 1. MSDE has engaged an independent firm to perform an audit of Blueprint grant expenditures. The contract commenced in September 2023 and will terminate in September 2024. The independent firm is developing an audit program listing audit procedures to be performed. This audit program includes verification of the allowability of grant expenditures incurred from FY2020 to FY2023.</p>		
Non-Concur	<p>Issue 2 Commencing FY2023, MSDE’s Office of Audit’s State Aid Unit began performing a review of expenditures for three Blueprint Programs: the <b>Concentration of Poverty</b>, Prekindergarten, and College and Career Readiness Programs. A State Aid Audit is performed for each of the 24 LEAs once every three years and CoP testing is performed for each LEA that qualified for CoP funding during the three year auditing cycle. This is accomplished by selecting and testing a sample</p>		

Concur	<p>of expenditures charged to CoP grants during the prior fiscal year.</p> <p>Issue 3 LEAs are made aware of any non-allowable expenditures detected during a State Aid audit via a finding in their State Aid audit report. Also, the reports of the independent firm who has been engaged to test the allowability of CoP expenditures will be provided to the LEAs once the audits are completed.</p>	Partially Implemented	On Going
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\*If applicable, please include attachments that may provide better context regarding planned corrective actions.

**Recommendation 6:** In conjunction with Recommendations 1 through 4, MSDE should establish, in a documented policy, procedures governing the receipt and accountability of unused, unspent, and returned program funds from LEAs.

**MSDE Response:**

<b>Opinion</b> (Concur/Non-Concur)	<b>Correction Action Plan</b> (Provide Narrative Response*)	<b>Current Status of Corrective Action</b> (Implemented/Partially Implemented/Not Yet Implemented)	<b>Estimated Date of Full Implementation of Corrective Action</b>
Concur	The Office of Finance (OOF) is developing a comprehensive policy which will outline the procedures for the receipt, management, and accountability of unused, unspent, and returned funds from LEAs. This includes guidelines for holding funds in a restricted account, conditions for their usage in the following school year, and reporting requirements. The target date for developing the policy is June 1, 2024. The target date for providing training to the LEA's is July 1, 2024.	Not Implemented	July 1, 2024

\*If applicable, please include attachments that may provide better context regarding planned corrective actions.



**Recommendation 7:** The OIGE would recommend exploring the option of temporarily pausing specific finance and program activities. This pause will provide an opportunity to reevaluate priorities, streamline processes, and ensure that initiatives fully align with the state’s long-term goals and make strategic moves that optimize resources.

**MSDE Response:**

<b>Opinion</b> (Concur/Non-Concur)	<b>Correction Action Plan</b> (Provide Narrative Response*)	<b>Current Status of Corrective Action</b> (Implemented/Partially Implemented/Not Yet Implemented)	<b>Estimated Date of Full Implementation of Corrective Action</b>
Non-Concur	MSDE does not concur with this recommendation as it is required to implement all aspects mandated by Maryland Education Article 5-223.		

\*If applicable, please include attachments that may provide better context regarding planned corrective actions.