

Audit Report

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**Maryland School for the Deaf**

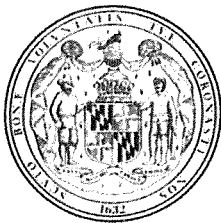
January 2012

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**OFFICE OF LEGISLATIVE AUDITS**  
**DEPARTMENT OF LEGISLATIVE SERVICES**  
**MARYLAND GENERAL ASSEMBLY**

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DEPARTMENT OF LEGISLATIVE SERVICES  
OFFICE OF LEGISLATIVE AUDITS  
MARYLAND GENERAL ASSEMBLY

Karl S. Aro  
Executive Director

Bruce A. Myers, CPA  
Legislative Auditor

January 19, 2012

Senator James C. Rosapepe, Co-Chair, Joint Audit Committee  
Delegate Guy J. Guzzone, Co-Chair, Joint Audit Committee  
Members of Joint Audit Committee  
Annapolis, Maryland

Ladies and Gentlemen:

We have audited the Maryland School for the Deaf (MSD) for the period beginning December 2, 2008 and ending August 8, 2011. MSD provides a comprehensive educational program for school-age deaf students.

Our audit did not disclose any findings that warrant mention in this report.

We wish to acknowledge the cooperation extended to us during the course of this audit by MSD.

Respectfully submitted,

A handwritten signature in cursive script that reads "Bruce A. Myers".

Bruce A. Myers, CPA  
Legislative Auditor



## **Background Information**

### **Agency Responsibilities**

The Maryland School for the Deaf (MSD) provides a comprehensive educational program for school-age deaf students. Tuition is charged only to non-State residents. MSD also provides a family education/early intervention program, through cooperative agreements with local health departments, that involves working with young deaf children and their families in the development of early language skills. MSD, with campuses located in Frederick and Columbia, is governed by a 19-member Board of Trustees appointed by the Governor. According to MSD records, as of June 2011, 486 students were enrolled in MSD, and the State's records indicated that expenditures totaled approximately \$29.8 million during fiscal year 2011.

### **Status of Findings From Preceding Audit Report**

Our audit included a review to determine the status of the one finding contained in our preceding audit report dated April 3, 2009. We determined that MSD satisfactorily addressed this finding.

## **Findings and Recommendations**

Our audit did not disclose any significant deficiencies in the design or operation of MSD's internal controls. Nor did our audit disclose any significant instances of non-compliance with applicable laws, rules or regulations. A less significant finding was communicated to MSD that did not warrant mention in this report.

A draft copy of this report was provided to MSD. Since there are no recommendations in this report, a written response was not necessary.

## **Audit Scope, Objectives, and Methodology**

We have audited the Maryland School for the Deaf (MSD) for the period beginning December 2, 2008 and ending August 8, 2011. The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and

conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

As prescribed by the State Government Article, Section 2-1221 of the Annotated Code of Maryland, the objectives of this audit were to examine the MSD's financial transactions, records and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations. We also determined the status of the finding contained in our preceding audit report.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessments of materiality and risk. The areas addressed by the audit included cash receipts, purchasing and disbursements, equipment, and payroll. Our audit procedures included inquiries of appropriate personnel, inspections of documents and records, and observations of the MSD's operations. We also tested transactions and performed other auditing procedures that we considered necessary to achieve our objectives. Data provided in this report for background or informational purposes were deemed reasonable, but were not independently verified.

MSD's management is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records, effectiveness and efficiency of operations including safeguarding of assets, and compliance with applicable laws, rules, and regulations are achieved.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Our reports are designed to assist the Maryland General Assembly in exercising its legislative oversight function and to provide constructive recommendations for improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly.

AUDIT TEAM

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