


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

October 14, 2024

MEMORANDUM

To: Mr. Elliot M. Alter, Principal
Beall Elementary School

From: Mary J. Bergstresser, Supervisor, Internal Audit Unit 

Subject: Report on Audit of Independent Activity Funds for the Period
August 1, 2021, through July 31, 2024

Independent Activity Funds (IAFs) of Montgomery County Public Schools (MCPS) are established to promote the general welfare, education, and morale of students, as well as to finance the recognized extracurricular activities of the student body. School principals are the fiduciary agents for the IAFs charged with determining the manner in which funds are raised and expended for activities such as field trips, admission events, and fundraisers. They are responsible for ensuring that the IAFs are administered in accordance with Board of Education policies and MCPS regulations and procedures.

The IAF audits are conducted regularly to evaluate compliance with policies, regulations, and procedures, and to review processes for continuous improvement. Generally accepted audit procedures guide the work of the auditors who examine samples of the IAF records and financial accounts selected from documentation of various activities to verify their accuracy, as well as to assess the effectiveness of financial control procedures. An IAF audit does not review every transaction or school activity but seeks to provide reasonable assurance that any significant errors or omissions in the financial records are detected.

At our September 17, 2024, meeting with you; Mrs. Gina M. Gill, school administrative secretary (secretary), and Ms. Pamela S. Ingram, visiting bookkeeper, we reviewed the prior audit report dated September 3, 2021, and the status of the present conditions. This audit report presents the findings and recommendations resulting from our examination of the IAF records and financial accounts for your school for the period designated above.

Findings and Recommendations

Cash and checks collected by sponsors and others for IAF activities must be remitted promptly to the secretary. These receipts must be deposited promptly, and all receipts must be deposited on the last working day of each month and before each weekend or holiday (refer to the *MCPS Financial Manual*, chapter 7, pages 4-5). In your action plan, you indicated that staff would be reminded to remit funds daily and that there would be evidence of timely deposits. We found that

at times, staff were holding funds and not remitting to the secretary when received. We also noted that funds had not always been deposited timely by the secretary, and at times held over a weekend. We recommend that staff be required to submit cash and checks collected for IAF activities to the secretary each day and that all funds are deposited timely and always by the last working day of each month and before each weekend or holiday.

Notice of Findings and Recommendations

- Cash and checks (funds) collected by sponsors must be promptly remitted to the secretary, and deposited timely (**repeat**).

Other matters were discussed and satisfactorily resolved. We appreciate the cooperation and assistance of your staff. In accordance with MCPS Regulation DIA-RA, *Accounting for Financial Operations/Independent Activity Funds*, using the attached action plan, please provide a written response to the Internal Audit Unit within 30 calendar days of this report. In your response, please share a detailed plan for addressing these issues, including appropriate staff training and support.

Prior to returning your completed audit action plan, please contact Dr. Alana D. Murray, director of school support and improvement, Office of School Support and Improvement, for written approval of your plan. Based on the audit recommendations, Dr. Murray will indicate whether she will conduct an electronic review of your action plan or schedule a time to meet in person with you and your secretary to support you with developing a well-defined plan to address the findings.

MJB:GK:rg

Attachment

Copy to:

Members of the Board of Education

Dr. Taylor

Ms. Alfonso-Windsor

Ms. Dempsey

Ms. McGuire

Dr. Moran

Mrs. Williams

Dr. Campbell

Mr. Reilly

Mrs. Chen

Mr. Klausling

Dr. Murray

Mrs. Ripoli

Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: November 11, 2024

Fiscal Year: FY25

School or Office Name: Beall Elementary School

Principal: Elliot Alter

OSSI

Associate Superintendent: Dr. Tamitha Campbell

OSSI

Director: Dr. Alana Murray

Strategic Improvement Focus:

As noted in the financial audit for the period 8/1/21-7/31/24, strategic improvements are required in the following business processes :

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Staff have been reminded to turn in remittance forms and money daily, verbally and in writing. When money is turned in, it is counted in front of the sponsor and they receive an original receipt. All funds are received in SCO/SFO.	Sponsors and admin secretary	Financial manual and SCO procedures for sponsors	SCO reconciliation sponsor reports	Principal and admin secretary remind sponsors regularly regarding deposits	FY25 and going forward we will continue to monitor that sponsors are turning in money on time

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence

OFFICE OF SCHOOL SUPPORT AND WELL-BEING (OSSWB)

Approved

 Please revise and resubmit plan by _____

Comments:

Director: Alana D. Murray

Date: 11/18/2024