


Internal Audit Unit  
MONTGOMERY COUNTY BOARD OF EDUCATION  
Rockville, Maryland

April 10, 2024

MEMORANDUM

To: Ms. Lisa S. Seymour, Principal  
Bethesda Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period  
April 1, 2021, through January 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 April 3, 2024, meeting with you; Ms. Shayla Walker, assistant principal; and Ms. Nancy B. Dana, school administrative secretary (secretary), we reviewed the prior audit report dated June 16, 2021, and the status of present conditions. It should be noted that Ms. Dana's assignment as secretary was effective August 1, 2021. 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). We found instances in which funds were held by sponsors

rather than being remitted on a daily basis to the secretary and we also found that they were not always promptly deposited into the school's bank account. To minimize the risk of loss and provide availability of funds to meet school needs, all funds collected must be remitted daily to the secretary for prompt deposit.

#### Notice of Findings and Recommendations

- Cash and checks (funds) collected by sponsors must be promptly remitted to the secretary.
- Cash and checks (funds) remitted by sponsors must be promptly receipted and deposited in the bank by the secretary in accordance with Chapter 7 of the *MCPS Financial Manual*.

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 Mr. David T. Chia, director of school support and well-being, Office of School Support and Well-Being, for written approval of your plan. Based on the audit recommendations, Mr. Chia will indicate whether he 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:AMB:rg

Attachment

Copy to:

Members of the Board of Education

Dr. Felder

Mr. Hull

Dr. Johnson

Ms. Dempsey

Dr. Moran

Mrs. Williams

Mr. McGee

Mr. Reilly

Mrs. Chen

Mr. Chia

Ms. Eader

Mr. Klausning

Mrs. Ripoli

Ms. Webb

## FINANCIAL MANAGEMENT ACTION PLAN

**Report Date:** April 29, 2024

**Fiscal Year:** FY 24

**School or Office Name:** Bethesda E.S.

**Principal:** Lisa S. Seymour

**OSSWB Associate Superintendent:** Sean McGee

**OSSWB Director:** David Chia

**Strategic Improvement Focus:**

As noted in the financial audit for the period 4/1/2021-1/31/24, strategic improvements are required in the following business processes :

Cash and checks collected by sponsors and others for IAF activities must be remitted promptly deposited.


Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Cash and checks (funds) collected by sponsors must be promptly remitted to the secretary.	Teacher Financial Secretary	-Field Trip Remittance Form. -Leadership & Pre-service staff training.	MCPS form 280-34	Principal Financial Secretary	Completed form with date funds were remitted and copy of receipt.
Cash and checks (funds) remitted by sponsors must be promptly received and deposited in the bank by the secretary in accordance with Chapter 7 of the MCPS Financial Manual.	Financial Secretary	Receipt funds by 2:00p.m. on day received. Bank deposit on day received.	Receive and attach bank deposit receipt to form 280-34 and add it to the monthly deposit folder for review by the bookkeeper and file in field trip folder.	Principal Financial Secretary Auditor	Deposit slips and 280-34 are aligned.

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: Please email DossWB updates/agenda to reflect staff training during pre-semester week in August 2024. Please schedule meeting with DossWB in December 2024 to provide status update.

Director:  Date: 5/1/24 Meeting to include Admin Sec, Program, DossWB