


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

August 18, 2023

MEMORANDUM

To: Mrs. Rachel C. Dubois, Director, Department of Materials Management

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

Subject: JP Morgan Purchase Card Audit at Taylor Science Center for the Period July 1, 2022 through June 30, 2023

This report presents the results of our examination of the JP Morgan purchase card activity by the Taylor Science Center. The purpose of this audit was 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 examined samples of JP Morgan purchase card transactions to assess the effectiveness of financial control procedures. We also evaluated the monthly and transactional cardholder limits for those cardholders with limits above the normal allowable amount. An audit does not review every transaction but seeks to provide reasonable assurance that any significant errors or omissions in the financial records are detected.

At our August 10, 2023, meeting with you and Mrs. Tammy R. Acton, operations supervisor, we discussed the status of the present conditions. This audit report presents the findings and recommendations resulting from our examination of the JP Morgan activity for the period designated above.

Findings and Recommendations

Use of the MCPS purchasing card must be in accordance with the requirements of the MCPS *Purchasing Card Users Guide*. By the fifth business day of the following month, cardholders must use the online reconciliation program to identify, describe, and review transactions. Monthly statements, or the statement of account landscape report, must be printed and provided to the approver, with all purchase receipts and invoices attached. The approver must review each cardholder's transactions and approve them by the 10th of the following month, using the online reconciliation program. We found that cardholders were promptly preparing their monthly statements, provided descriptions on most of the items purchased, attached their purchase receipts, and reviewed their transactions in the online reconciliation program. We also found that the prior approver had not approved any transactions online. We recommend that action be taken to correct this condition and bring purchasing card usage into conformity with MCPS requirements.

The Taylor Science center has two budgeted accounts that should be used to charge purchases for science kits. One account is the program supply account and the other is the instructional materials account. The program supply account is to be charged for all orders from outside organizations and the instructional materials account is for all MCPS school purchases. We found that the center only had one purchase card, program supply, and was charging everything to that account. For better accountability we recommend you get a second JP Morgan card for your instructional materials account.

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 Mrs. Dana E. Edwards, chief of district operations, Office of District Operations, for written approval of your plan.

MJB:rg

Attachment

Copy to:

Members of the Board of Education

Dr. McKnight

Mr. Hull

Dr. Murphy

Ms. Morris

Mr. Stockton

Mrs. Williams

Mrs. Edwards

Mr. Reilly

Mrs. Chen

Ms. Eader

Mr. Klausling

Mrs. Ripoli

Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date:	Fiscal Year:
School:	Principal:
OSSWB Associate Superintendent:	OSSWB Director:
<p><u>Strategic Improvement Focus:</u> As noted in the financial audit for the period _____, strategic improvements are required in the following business processes :</p>	


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

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~~OFFICE OF SCHOOL SUPPORT AND WELL-BEING (OSSWB)~~

Approved Please revise and resubmit plan by _____

Comments: _____

Director:  _____ Date: _____