


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

May 21, 2025

MEMORANDUM

To: Mr. Travis A. Payne, Principal
Brooke Grove Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period
February 1, 2023, through March 31, 2025

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 May 14, 2025, meeting with you, and Mrs. Tammy Hertel, the school administrative secretary, we reviewed the prior audit report dated March 16, 2023, and the status of the present conditions. It should be noted that your appointment as principal was effective July 1, 2024. 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

Commission accounts such as cell tower and pictures are revenue-only accounts and expenses should not be recorded in the commission accounts. Expenses should be recorded to the appropriate expense account and then funds should be transferred from the commission account when needed. We found that disbursements were being recorded out of commission only accounts. We recommend that transfers are completed to move funds to accounts that would benefit from the commissions, and then disbursements made from those accounts.

Notice of Findings and Recommendations

- No direct disbursements can be made from commission accounts.

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. Eugenia S. Dawson, director of school support and improvement, Office of School Support and Improvement, for written approval of your plan. Based on the audit recommendations, Dr. Dawson 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 school administrative secretary to support you with developing a well-defined plan to address the findings.

MJB:HT:rg

Attachment

Copy to:

Members of the Board of Education

Dr. Taylor

Mrs. Alfonso-Windsor

Ms. McGuire

Dr. Moran

Ms. Seabrook

Dr. Redmond Jones

Mr. Reilly

Mrs. Chen

Dr. Dawson

Mrs. Gomez

Mr. Klausling

Mrs. Ripoli

Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: May 14, 2025

Fiscal Year: 2025

School or Office Name: Brooke Grove Elementary School

Principal: Travis Payne

OSSI

Associate Superintendent: Donna Redmond-Jones

OSSI

Director: Eugenia Dawson

Strategic Improvement Focus:

As noted in the financial audit for the period 2/1/23 - 3/31/2025, strategic improvements are required in the following business processes :

Not making direct disbursements from comission accounts; Expenses should be recorded to the appropriate expense account;

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Transfers are completed to move funds to accounts that would benefit from the commissions, and then disbursements made from those accounts.	Tammy Hertel	N/A	Monthly review of transfers via financial statements printed each month	Travis Payne - Monthly	

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

OFFICE OF SCHOOL SUPPORT AND WELL-BEING (OSSWB)	
<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Please revise and resubmit plan by _____ Comments: _____ Director: <u>Eugenia S. Dawson</u> Date: <u>6/23/25</u>	