


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

June 23, 2022

MEMORANDUM

To: Mr. Mark Brown, Principal
Albert Einstein High School

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

Subject: Report on Audit of Independent Activity Funds for the Period
January 1, 2021, through April 30, 2022

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 fund-raisers. 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 June 16, 2022, meeting with you; Mrs. Joan A. Strasnick, school business administrator; and Mr. Juan F. Ramos, school financial specialist, we reviewed the prior audit report dated April 27, 2021, and the status of the present conditions. It should be noted that Mrs. Strasnick's assignment as school business administrator was effective July 1, 2021. This audit report presents the finding and recommendation resulting from our examination of the IAF records and financial accounts for your school for the period designated above.

Finding and Recommendation

Independent contractors or consultants working in schools must comply with all laws and MCPS requirements set forth in the *Procurement Manual*. MCPS form 280-49A: *Authorization for Consultant/Independent Contractor (Vendor) Services Paid with Independent Activity Funds (IAF)* is used to document authorization/approval for all consultant/independent contractor

services paid with IAF. We found that this form had not always been completed for payments to independent contractors during our audit period. We recommend the project manager initiate MCPS Form 280-49A, to document the authorization and approval to pay a consultant/independent contractor with IAF (refer to the *MCPS Financial Manual*, chapter 15, page 2).

Notice of Finding and Recommendation

- Independent contractor payments must comply with MCPS Regulation DIA-RB, *Accounting for Financial Operations/Independent Activity Funds (repeat)*.

Other matters were discussed and satisfactorily resolved. We appreciate the cooperation and assistance of your staff. In accordance with MCPS Regulation DIA-RB, 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. Peter O. Moran, director of learning, achievement, and administration, Office of Teaching, Learning, and Schools, for written approval of your plan. Based on the audit recommendations, Dr. Moran 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 school financial team to support you with developing a well-defined plan to address the findings.

MJB:YSG:lsh

Attachment

Copy to:

Members of the Board of Education

Dr. McKnight

Mr. D'Andrea

Dr. Dawson

Ms. Reuben

Mrs. Williams

Dr. Dyson

Mr. Reilly

Mrs. Chen

Mrs. Eader

Mr. Klausling

Dr. Moran

Mrs. Ripoli

Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date:	Fiscal Year:
School:	Principal:
OTLS Associate Superintendent:	OTLS 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 TEACHING, LEARNING, AND SCHOOLS (OTLS) REVIEW & APPROVAL	
<input checked="" type="checkbox"/> Approved	<input type="checkbox"/> Please revise and resubmit plan by _____
Comments: _____ _____	
Director: <u> <i>Peter O. Moran</i> </u>	<u> <i>GVZ</i> </u> Date: <u> <i>07/22/22</i> </u>