


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

December 20, 2021

MEMORANDUM

To: Mr. Daniel K. Tucci, Principal
Garrett Park Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period
November 1, 2019, through October 31, 2021

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 December 9, 2021, meeting with you; Mrs. Wynn F. Gambrill, school administrative secretary (secretary), and Ms. Mary Ahearn, school visiting bookkeeper, we reviewed the prior audit report dated December 27, 2019, and the status of 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

Expenditures for staff refreshments and other staff related items were recorded in account 0075.0000 ICB Awards in the School Funds Online (SFO) accounting program. The Interagency Coordinating Board (ICB) awards are paid to schools for community use of the school. Expenditures for staff refreshments and appreciation must be appropriately recorded in accordance with the IAF chart of accounts, using accounts 0020.000 and 0021.0000 respectively, in order to

monitor that aggregate school expenditures for meeting refreshments and appreciation items are not exceeding \$60 per individual staff member per fiscal year.

Notice of Findings and Recommendations

- ICB funds are to cover the cost impacts of community use and/or direct benefit to the paying community groups.

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. Rotunda Floyd-Cooper, director of learning, achievement, and administration, Office of Teaching, Learning, and Schools, for written approval of your plan. Based on the audit recommendations, Dr. Floyd-Cooper 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:RCM:lsh

Attachment

Copy to:

Members of the Board of Education
Dr. McKnight
Mr. D'Andrea
Dr. Dawson
Ms. Reuben
Mrs. Williams
Mr. Koutsos
Mr. Reilly
Mrs. Chen
Mrs. Eader
Dr. Floyd-Cooper
Mr. Klausung
Mrs. Ripoli
Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date:

Fiscal Year:

School:

Principal:

**OTLS
Associate Superintendent:**

**OTLS
Director:**

Strategic Improvement Focus:

As noted in the financial audit for the period _____, 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 |
|--------------|--------------------------|---------------------|-----------------------------------|---------------------------|------------------|
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| OFFICE OF TEACHING, LEARNING, AND SCHOOLS (OTLS) REVIEW & APPROVAL | |
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| <input type="checkbox"/> Approved | <input type="checkbox"/> Please revise and resubmit plan by _____ |
| Comments: _____ _____ | |
| Director: <u>Rotunda Floyd-Cooper</u> | Date: _____ |