


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

March 14, 2022

MEMORANDUM

To: Mrs. Stephanie R. Dinga, Principal
Goshen Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period
December 1, 2019, through January 31, 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 fieldtrips, 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 March 8, 2022, meeting with you and Mrs. Amy R. Curry, school administrative secretary (secretary), we reviewed the prior audit report dated January 22, 2020, and the status of the 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

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 noted that sponsors held funds collected rather than remitting them to the secretary on a daily basis. To minimize the risk of loss, all funds collected must be

remitted daily. We recommend that staff be encouraged to submit cash and checks collected for IAF activities to the secretary for prompt deposit in accordance with MCPS policy and procedures.

Notice of Finding and Recommendation

- Cash and checks (funds) collected by sponsors must be promptly remitted to the secretary (**repeat**).

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 Ms. Nicole A. Sosik, director of learning, achievement, and administration, Office of Teaching, Learning, and Schools, for written approval of your plan. Based on the audit recommendations, Ms. Sosik 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 secretary to support you with developing a well-defined plan to address the findings.

MJB:BK: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
Mr. Klausling
Ms. Ripoli
Ms. Sosik
Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: 2022

Fiscal Year: 2022

School: Goshen ES - 546

Principal: Stephanie Dinga

OTLS

Associate Superintendent: James Koutsos

OTLS

Director: Nicole Sosik

Strategic Improvement Focus:

As noted in the financial audit for the period 12/1/2019-1/31/22, strategic improvements are required in the following business processes :
Cash and checks (funds) collected by sponsors must be promptly remitted to the secretary

| Action Steps | Person(s) Responsible | Resources Needed | Monitoring Tools / Data Points | Monitoring: Who & When | Results/Evidence |
|--|--------------------------|----------------------|---|---------------------------------------|------------------|
| Staff will submit their funds daily to the secretary | Teachers | Remittance forms | Remittance forms that are collected daily | Amy Curry daily as appropriate | |
| Secretary will deposit funds daily to the bank | Administrative Secretary | Bank deposit receipt | Bank Deposit Slips | Stephanie Dinga Weekly as appropriate | |
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| 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>Nicole Sosik</u> | Date: <u>4/4/2022</u> |