


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

October 17, 2022

MEMORANDUM

To: Mr. James A. Sweeney, Principal
Spark M. Matsunaga Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period
October 1, 2019, through September 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 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 September 27, 2022, meeting with you; Mr. Matthew J. Bowerman, principal intern; and Mrs. Margaret (Sue) S. Murphy, school administrative secretary (secretary), we reviewed the prior audit report dated December 12, 2019, 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

Use of the MCPS purchasing card must be in accordance with the requirements of the *MCPS Purchasing Card User's 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. The principal’s card transactions are to be reviewed and approved by Ms. Nicole Sosik, director of school support and well-being, Office of School Support, and Well-Being. We found that some cardholders had not promptly prepared their monthly statements for review. Additionally, it was noted that even though the school sent a copy of the Statement of Account Landscape, with receipts attached, the principal’s transactions have not been approved in the online reconciliation program. We recommend that action be taken to correct these conditions and bring purchasing card usage into conformity with MCPS requirements.

Notice of Findings and Recommendations

- Purchase card activity must comply with the MCPS Purchasing Card User’s Guide;
- Purchase card transactions of the principal must be reviewed and approved by the respective director of school support and well-being, Office of School Support and Well-Being.

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 Sosik, director of school support and well-being, Office of Student Support and Well-Being, 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:PJM:bg

Attachment

Copy to:

- | | |
|-----------------------------------|--------------|
| Members of the Board of Education | Mr. Reilly |
| Dr. McKnight | Mrs. Chen |
| Mr. Hull | Ms. Eader |
| Dr. Murphy | Mr. Klausing |
| Ms. Reuben | Mrs. Ripoli |
| Mr. Stockton | Ms. Sosik |
| Mrs. Williams | Ms. Webb |
| Ms. Morris | |

FINANCIAL MANAGEMENT ACTION PLAN

Report Date:	Fiscal Year:
School:	Principal:
OSSWB Associate Superintendent:	OSSWB 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

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 type="checkbox"/> Approved	<input type="checkbox"/> Please revise and resubmit plan by _____
Comments: _____ _____	
Director: <u> <i>Nicole A. Sosik</i> </u>	Date: _____