


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

June 15, 2023

MEMORANDUM

To: Mr. Desmond Mackall, Principal
Meadow Hall Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period
November 1, 2021, through March 31, 2023

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 30, 2023, meeting with you, and Mrs. Renifer R. Mejia, school administrative secretary (secretary), we reviewed the prior audit report dated January 6, 2022, and the status of the present conditions. It should be noted that your appointment as principal was effective July 1, 2022, and Mrs. Mejia's assignment as secretary was effective July 1, 2022. 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 Users 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

principal, with all purchase receipts and invoices attached. The principal must review each cardholder's transactions and approve them by the 10th of the following month, using the online reconciliation program. We found that the cardholder had not promptly prepared their monthly statements, provided description of items purchased, indicated IAF account number when required, attached their purchase receipts, or reviewed their transactions in the online reconciliation program. We also found that the principal had not approved all transactions online. We recommend that action be taken to correct these conditions and bring purchasing card usage into conformity with MCPS requirements

Sponsors of field trips must have a complete class or club roster of student names to annotate the amount each student paid, date paid, eligible students who did not participate in the trip, and students who received waivers, scholarships, or reduced fees. This data, together with a list of all chaperones and volunteers, must be provided to the secretary at the completion of each trip, and compared to remittances recorded in the trip account history report (refer to the *MCPS Financial Manual*, chapter 20, page 10). In the school's action plan, they indicated that all field trip data would be received and that the secretary would reconcile all trips. We found that not all sponsors are providing completed data at the conclusion of each trip, and that data is not being compared to the final account history report. All sponsors must be required to submit MCPS Form 280-41, *Field Trip Accounting*, or equivalent and this data must be reconciled by the secretary with remittances recorded in activity accounts.

Notice of Findings and Recommendations

- Purchase card activity must comply with the *MCPS Purchasing Card User's Guide*.
- Field trip records prepared by sponsors must provide comprehensive data to account for all eligible to participate, including volunteers and chaperones, and to reconcile funds collected with account history report (**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 Dr. Frank H. Stetson, acting 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, Dr. Stetson 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 secretary to support you with developing a well-defined plan to address the findings.

MJB:ABB:rg

Attachment

Copy to:

Members of the Board of Education

Dr. McKnight

Mr. Hull

Dr. Murphy

Ms. Morris

Mr. Stockton

Mrs. Williams

Dr. Redmond-Jones

Mr. Reilly

Mrs. Chen

Mrs. Eader

Mr. Klausling

Mrs. Ripoli

Dr. Stetson

Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: July 1, 2023; FY24	Fiscal Year: July 1, 2023; FY24
School: Meadow Hall ES - 212 <input checked="" type="checkbox"/>	Principal: Desmond Mackall
OSSWB Associate Superintendent: Donna Redman-Jones	OSSWB Director: Jewel Sanders
Strategic Improvement Focus: As noted in the financial audit for the period <u>11/1/21-3/31/23</u> , strategic improvements are required in the following business processes : (1) Purchase Card Activity and (2) Field Trip Records to reconcile funds	

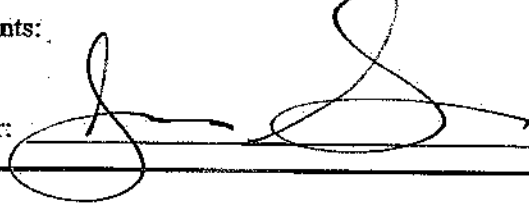
Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Purchase card activity must comply with MCPS Purchasing Card User's Guide. By the 5th business day of the following month card holder will reconcile and review transactions. The Principal will review and approve them by the 10th of each month.	Renifer Mejia- Adm. Secretary Desmond Mackall- Principal	Purchasing Card User Guide HUB	Calendar reminders will be used to remind both Admin secretary and Principal to review purchases for approval. Quarterly checkins.	Principal- Quarterly update meetings with Admin to discuss progress.	All purchasing orders will be reviewed and submitted on time as evidenced by this no longer being a finding on our next audit.
Field Trip records prepared by sponsors must provide comprehensive data to account for all eligible to participate, including volunteers and chaperones, and to reconcile funds collected with account history report.	Renifer Mejia- Adm. Secretary	Reconciliation form	Ms. Mejia will present the protocol that will be used at Preservice for all sponsors. Feedback will be provided upon form submissions.	Admin. Secretary- Will ask sponsors to resubmit forms if submitted with insufficient info.	All FT reconciliation forms will be submitted correctly with sufficient information as evidence by this no longer being a finding.

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

OFFICE OF SCHOOL SUPPORT AND WELL-BEING (OSSWB)

Approved
 Please revise and resubmit plan by _____

Comments:

Director: 

Date: 7/25/2023