


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

April 24, 2025

MEMORANDUM

To: Mr. Jon Green, Principal
John Poole Middle School

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

Subject: Report on Audit of Independent Activity Funds for the Period
November 1, 2022, through January 31, 2025

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 April 9, 2025, meeting with you and Mrs. Margaret DiMarzio, the school financial specialist, we reviewed the prior audit report dated January 18, 2023, 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

All disbursements from a school's IAF, except those made from a school's petty cash fund, will be made by check or ACH drawn on the school's IAF bank account. Regardless of the documentation that approved the procurement of goods and services, all disbursements from a school's IAF other than for petty cash items will be approved by the principal using MCPS Form 280-54, *Independent Activity Funds Request for a Purchase*, prior to expenditure of funds. Disbursements made by ACH with multiple IAF accounts to be charged, such as MCPS iPayment are to include a summary spreadsheet detailing the IAF account(s) to be charged with the principal

approved MCSP Form 280-54. Invoices for goods or services must be signed by the purchaser to indicate satisfactory receipt, and the financial agent will mark the documentation as “paid” (refer to the *MCPS Financial Manual*, chapter 20, page 6). In our sample of disbursements, we found instances in which controls over purchases were weakened that included MCPS Form 280-54 not being prepared when paying MCPS iPayments, prior approval was not consistently obtained, MCPS Form 280-54 not always completed in its entirety and documentation not always annotated by recipient to indicate purchased goods or services were satisfactorily received. We recommend that MCPS Form 280-54 be prepared in full by staff with an estimate of expected expenditures and signed by the principal at the time verbal approval is sought. We also recommend that MCPS Form 280-54 be prepared prior to paying MCPS iPayments and that staff indicate if all items or services were received satisfactorily.

Notice of Findings and Recommendations

- Purchase requests must be documented with a completed MCPS Form 280-54 signed and dated by all parties prior to purchases being made.
- Purchaser must confirm receipt of goods or services prior to disbursement.

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. Eugenia S. Dawson, director of school support and improvement, Office of School Support and Improvement, for written approval of your plan. Based on the audit recommendations, Dr. Dawson 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 financial specialist 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. Taylor
Mrs. Alfonso-Windsor
Ms. McGuire
Dr. Moran
Ms. Seabrook
Dr. Redmond Jones

Mr. Reilly
Mrs. Chen
Mrs. Gomez
Dr. Dawson
Mr. Klausling
Mrs. Ripoli
Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: 4-28-25	Fiscal Year: FY25
School or Office Name: John Poole MS 03247	Principal: Mr Jon Green
OSSI Associate Superintendent: Dr Donna Remond Jones	OSSI Director: Dr Dawson
<u>Strategic Improvement Focus:</u> As noted in the financial audit for the period <u>11/1/22-1/31/25</u> , 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
MCPS form 280-54 will be completed in its entirety and attached to all payments including those MCPS ipayment with a summary attachment. ALL purchases should be stamped received.	Financial Agent and Sponsors	Received Stamp	ALL IAF invoices will have "recieved" noted. Sponsors will complete 280-54 and FS will make sure it is complete including principal's signature	FS with the principal approval on ALL	

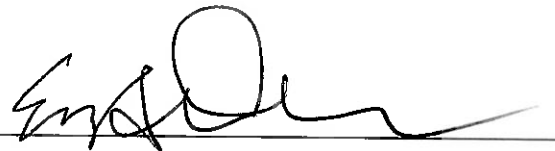
Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence

OFFICE OF SCHOOL SUPPORT AND WELL-BEING (OSSWB)

☒ **Approved** ☐ Please revise and resubmit plan by _____

Comments:

Director:



Date:

5/12/25