


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

March 12, 2024

MEMORANDUM

To: Mr. Jason A. Jefferson, Principal
Sherwood Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period
April 1, 2022, through December 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 February 20, 2024, meeting with you; Mrs. Louise J. Rampersaud, school administrative secretary (secretary); and Ms. Barbara L. Miller, visiting bookkeeper, we reviewed the prior audit report dated May 18, 2022, and the status of the present conditions. It should be noted that your appointment as principal was effective April 21, 2023 and Mrs. Rampersaud's assignment as secretary was effective October 16, 2023. 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

MCPS Form 280-54, *Independent Activity Funds Request for a Purchase*, is used to obtain principal approval to proceed with an intended purchase (refer to the *MCPS Financial Manual*, chapter 20, page 4). The purpose of each disbursement must be fully explained on this form to

properly record expenditures in appropriate accounts and to ensure that expenditures comply with IAF requirements. Invoices for goods or services must be signed by the purchaser to indicate satisfactory receipt. The secretary will then mark the documentation as “paid” prior to disbursing the funds. In our sample of disbursements, prior approval was not consistently obtained, and MCPS Form 280-54 was not always filled out completely by sponsors and the secretary, and at times predated for the principal. We also noted instances in which invoices and online purchase confirmations were not always signed by the receiver to indicate goods or services were received, and that payment could be processed. We recommend that MCPS Form 280-54 be prepared by staff with an estimate of expected expenditure and signed/dated by the principal at the time verbal approval is sought. MCPS Form 280-54 must be completed in full by sponsor, secretary, and principal to include account name/number to be charged, the request date, the balance available in the account, and the date and signatures of the sponsor, secretary, and principal. We also recommend that when goods are received at the school that the purchase be verified as complete by the recipient and that the invoice/packing slip be marked “received” and signed/dated by the recipient. Requiring invoices to be marked “received” ensures that goods or services have been satisfactorily received prior to payment.

Field trips must be conducted in accordance with MCPS Regulation IPD-RA, *Travel-Study Programs, Field Trips, and Student Organization Trips*. Trip approval forms signed by the principal, must contain all expense information, any subsidy information, and the field trip cost to be charged per student. The administrative secretary must establish a separate account in the IAF for each trip. Sponsors of field trips must have a complete class or club roster of student names to annotate the amount each student paid, the 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). School Cash Online (SCO) item attachment report may replace the field trip accounting sheet as long as all eligible students have data entered such as paid, waived, scholarship or did not attend. This report must be reviewed and initialed by the sponsors. We found that not all field trip documentation was on file for Fiscal Year 2023 trips, not all sponsors were providing completed data at the conclusion of each trip, and that data was not being reconciled to the final account history report. In addition, SCO was not properly maintained to report all payments received at the school. We recommend that all trips be made available for payment on SCO, required documentation be kept on file for audit, and that field trip sponsors use MCPS Form 280-41, *Field Trip Accounting*, or its equivalent to provide complete data at the conclusion of each trip. This data must be reconciled by the secretary with remittances recorded in activity accounts.

Notice of Findings and Recommendations

- Purchase requests must be approved by the principal prior to procurement.
- Purchaser must confirm receipt of goods or services prior to disbursement.

- Field trip records prepared by sponsors must provide comprehensive data to account for all eligible to participate, including volunteers and chaperones, and secretary must reconcile funds collected with account history report.

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 well-being, Office of School Support and Well-Being, 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 administrative 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. Felder
Mr. Hull
Dr. Johnson
Dr. Moran
Mrs. Williams
Mr. Adams
Mr. Reilly
Mrs. Chen
Dr. Dawson
Ms. Eader
Mr. Klausling
Mrs. Ripoli
Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: 3/12/24

Fiscal Year: 2024

School or Office Name: Sherwood Elementary School

Principal: Jason Jefferson

OSSWB

Associate Superintendent: David Adams

OSSWB

Director: Jeannie Dawson

Strategic Improvement Focus:

As noted in the financial audit for the period 4/1/22 - 12/31/23, strategic improvements are required in the following business processes:

- Purchase requests must be approved by the principal prior to procurement. Purchaser must confirm receipt of goods or services prior to disbursement. Field trip records.

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Email to all staff with reminders and expectations about purchase requests must be approved prior to any purchases and that the purchaser must confirm receipt of good prior to disbursement.	Jason Jefferson	MCPS Regulations	Bi-Monthly Check ins with administrative secretary.	Jason Jefferson	
Email to all staff with expectations and reminders that field trip records prepared by sponsors must provide comprehensive data to account for all eligible to participate, including volunteers and chaperones.	Jason Jefferson	MCPS Regulations	Bi-Monthly Check ins with administrative secretary.	Jason Jefferson	
Staff meeting to review all current expectations for financial duties and field trip.	Jason Jefferson and Louise Rampersaud	MCPS Regulations	Bi-Monthly Check ins with administrative secretary. Staff Meeting Slides	Jason Jefferson	
Request central office support as needed to assist with reconciliation and best practices.	Jason Jefferson and Louise Rampersaud	MCPS Regulations	Bi-Monthly Check ins with administrative secretary. MCPS Audit Office	Jason Jefferson	

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Meeting with administrative secretary to review expectations for reconciliation of field trips.	Jason Jefferson	MCPS Regulations	Bi-Monthly Check ins with administrative secretary.	Jason Jefferson	
Bi-weekly main office meetings with Administrative Secretary to ensure all processes are being followed and assist as needed.	Jason jefferson	MCPS Regulations	Running Notes of Meetings	Jason Jefferson	

OFFICE OF SCHOOL SUPPORT AND WELL-BEING (OSSWB)

Approved Please revise and resubmit plan by _____

Comments:

Director: 

Date: 4/25/24