


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

May 6, 2025

MEMORANDUM

To: Ms. Natasha Davis Bolden, Principal
Stedwick Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period
January 1, 2023, through March 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 14, 2025, meeting with you; Mrs. Diane F. Adams, school administrative secretary; and Ms. Monika C. Roberts, visiting bookkeeper, we reviewed the prior audit report dated March 16, 2023, and the status of the present conditions. It should be noted that your appointment as principal was effective July 1, 2024. 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 administrative secretary will then mark the documentation as “paid” prior

to disbursing the funds. In our sample of disbursements, prior approval was not consistently obtained. 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.

Notice of Findings and Recommendations

- All purchase requests must be preapproved on MCPS Form 280-54 by the principal prior to placing an order or making a purchase.

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 Mr. David W. Adams, director of school support and improvement, Office of School Support and Improvement, for written approval of your plan. Based on the audit recommendations, Mr. Adams 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 school administrative secretary to support you with developing a well-defined plan to address the findings.

MJB:HT:rg

Attachment

Copy to:

Members of the Board of Education

Dr. Taylor

Mrs. Alfonso-Windsor

Ms. McGuire

Dr. Moran

Ms. Seabrook

Dr. Campbell

Mr. Reilly

Mrs. Chen

Mr. Adams

Mrs. Gomez

Mr. Klausing

Mrs. Ripoli

Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN	
Report Date: 5/6/2025	Fiscal Year: FY25
School or Office Name: Stedwick Elementary School (02568)	Principal: Natasha Davis Bolden
OSSI Associate Superintendent: Dr. Tamitha Campbell	OSSI Director: David Adams
<p><u>Strategic Improvement Focus:</u></p> <p>As noted in the financial audit for the period <u>1/1/23-3/31/25</u>, strategic improvements are required in the following business processes :</p> <p>All purchase requests must be preapproved on MCPS Form 280-54 by the principal prior to placing an order or making a purchase.</p>	

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Request for Purchase (280-54) must be prepared and approved by the principal prior to purchase. Upon either verbal or email approval, the 280-54 still needs to be prepared and signed by both the requesting staff and the principal prior to the purchase being made	Admin Sec Principal	Form 280-54	continual review of purchase receipts versus date of request	Before each purchase review by Admin Sec Principal	Completed Form 280-54 with purchase documentation (including quotes) and receipt of purchase, signed by receiver.

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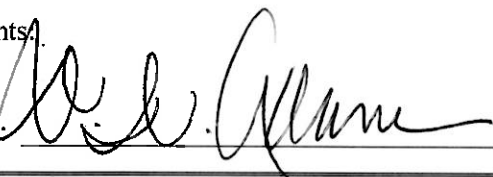
OFFICE OF SCHOOL SUPPORT AND WELL-BEING (OSSWB)

☐ Approved

☐ Please revise and resubmit plan by _____

Comments:

Director:



Date:

5/20/25