


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

May 9, 2025

MEMORANDUM

To: Dr. Kimberly A. Williams Cascio, Principal
Stone Mill Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period
March 1, 2022, 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 May 5, 2025, meeting with you; and Ms. Diane Cochet-Wynant, school administrative secretary (secretary); we reviewed the prior audit report dated May 27, 2022, and the status of 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

School Financial Training (SFT) Part I, is required for principals within their first year of assignment. Refresher training is recommended every three years because policies, regulations, procedures, and technology applications are continuously updated (refer to the *MCPS Financial Manual*, chapter 1, page 10). We noted that you have not taken the SFT Part I since January 31, 2012. We recommended that you immediately sign up to take SFT Part I.

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 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 Mr. Greg C. Mullenholz, director of school support and improvement, Office of School Support and Improvement. In your audit response, you indicated that you would review JP Morgan records. We found that you had not reviewed your transactions in the online system, indicated IAF accounts to be charged or included notes to describe what was purchased. There were numerous purchases where you were charged sales tax due to the fact that you were using a personal Amazon account. We also noted that you had not prepared your monthly statement of account landscape, attached receipts and provided to your director for review. By not reviewing transactions it precludes your director from being able to approve your transactions in the online system. We found that you are the only person at the school making purchases with the JP Morgan credit card. We recommend that your secretary start to use her JP Morgan card to make purchases for the school, and that you approve those purchases. We further recommend that you establish a school business Amazon account. In addition, we recommend that action be taken to correct these conditions and bring purchasing card usage into conformity with MCPS requirements.

Field trips must be conducted in accordance with MCPS Regulation IPD-RA, *Travel-Study Programs, Field Trips, and Other 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, and must be retained. Sponsors of field trips must have a complete class or club roster of student names and annotate how much each student paid, date paid, 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 *MCPS Financial Manual*, chapter 20, page 10). We found that not all trips had approvals on file, sponsors are not always providing complete data at the conclusion of each trip, and that data is not being compared to the final account history report. We recommend that all sponsors be required to use MCPS Form 280-41: *Field Trip Accounting*, or equivalent, and follow the procedures outlined above. In addition, we recommend that the secretary complete a reconciliation of the field trip activity as soon as the final comprehensive data is received from the sponsor.

Notice of Findings and Recommendations

- Principal must attend SFT Part I.
- Purchase card transactions must be documented, reviewed, and approved by the cardholder (**repeat**).
- Purchase card transactions of the principal must be reviewed and approved by the respective director (**repeat**).

- Field trip request for approval forms must be signed and dated by the principal and retained on file.
- Field trip records prepared by sponsors must provide comprehensive data to account for all eligible to participate, including volunteers and chaperones, and the secretary must reconcile funds collected with the 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 Mr. Greg C. Mullenholz, director of school support and improvement, Office of School Support and Improvement, for written approval of your plan. Based on the audit recommendations, Mr. Mullenholz 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:AMB:rg

Attachment

Copy to:

Members of the Board of Education
Dr. Taylor
Mrs. Alfonso-Windsor
Ms. McGuire
Dr. Moran
Ms. Seabrook
Mr. McGee
Mr. Reilly
Mrs. Chen
Mrs. Gomez
Mr. Klausling
Mr. Mullenholz
Mrs. Ripoli
Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: 5/9/25

Fiscal Year: 25

School or Office Name: Stone Mill ES

Principal: Dr. Kimberly Williams Cascio

OSSI

Associate Superintendent: Sean McGee

OSSI

Director: Gregory Mullenholz

Strategic Improvement Focus:

As noted in the financial audit for the period 2022-2025, strategic improvements are required in the following business processes :

Purchasing card, finance training, and field trip records

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Principal will attend SFT training	Principal	None	MCPS PDO	Training scheduled 5/13/25	Training complete on 5/13/25
Purchasing card transactions to be documented, reviewed, and approved by cardholder	Principal	None	PaymentNet	Monthly by CESC	Transactions are fully up to date currently.
Purchase card transactions of the principal will be reviewed and approved by the cluster director.	Principal to send and director to approve	Computer	PaymentNet	Monthly	Confirmation emails and PaymentNet
Field trip request for approval forms signed and dated by principal	Admin secretary and principal	Form to be created	Field trip permission forms are always signed and dated by principal and are kept on file. MCPS does not have a form other than the permission form.	Principal will continue to sign and date permission forms as that is all MCPS has.	Signatures as field trips are planned

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Field trip records will include the MCPS form 280-41	Admin secretary and principal	MCPS form 280-41	Collection of signed forms	Principal to check form is completed	Forms

OFFICE OF SCHOOL SUPPORT AND WELL-BEING (OSSWB)

☒ Approved

☐ Please revise and resubmit plan by _____

Comments:

Director:



Date:

7/28/25