


Internal Audit Unit  
MONTGOMERY COUNTY BOARD OF EDUCATION  
Rockville, Maryland

November 17, 2020

MEMORANDUM

To: Mr. Patrick E. Scott, Principal  
Strawberry Knoll Elementary School

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



Subject: Report on Audit of Independent Activity Funds for the Period  
February 1, 2017, through July 31, 2020

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 October 20, 2020, virtual meeting with you; Mrs. Jenna M. Patterson, assistant principal; Ms. Karim M. Quintanilla, school administrative secretary; and Ms. Ann Myers, visiting bookkeeper, we reviewed the prior audit report dated March 14, 2017, 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.

Finding and Recommendation

Cash and checks collected by sponsors and others for IAF activities must be remitted promptly to the school administrative secretary. These receipts must be deposited promptly, and all receipts must be deposited on the last working day of each month and before each weekend or holiday (refer to the *MCPS Financial Manual*, chapter 7, pp. 4-5). In your action plan, you indicated that sponsors would remit funds on a daily basis to the school administrative secretary, and she would

make prompt deposits, including on the last working day of the month and before each weekend or holiday. We found that some sponsors were holding funds collected rather than remitting them to the school administrative secretary on a daily basis. We also noted that the school administrative secretary was not always making deposits on the last working day of each month and before each weekend or holiday. To minimize the risk of loss, all funds collected must be remitted daily. We recommend staff be instructed to submit cash and checks collected for IAF activities to the administrative secretary for prompt deposit in accordance with MCPS policy and procedures.

#### Notice of Finding and Recommendation

- Funds collected by sponsors must be promptly remitted to the school administrative secretary for prompt deposit (**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 form, 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 Ms. Nicole A. Sosik, director of learning, achievement, and administration, Office of Teaching, Learning, and Schools. Based on the audit recommendations, Ms. Sosik 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:RCM:lsh

Attachment

Copy to:

Members of the Board of Education

Dr. Smith

Dr. McKnight

Ms. Stratman

Dr. Wilson

Mrs. Ahn

Mr. Koutsos

Mrs. Camp

Mrs. Chen

Mr. Marella

Ms. Sosik

Mr. Reilly

Mr. Tallur

Ms. Webb

## FINANCIAL MANAGEMENT ACTION PLAN

**Report Date:** 2020-2021

**Fiscal Year:** 2020-2021

**School:** Strawberry Knoll ES - 569

**Principal:** Mr. Patrick Scott

**OTLS**

**Associate Superintendent:** Mr. James Koutsos

**OTLS**

**Director:** Mrs. Nicole Sosik

**Strategic Improvement Focus:**

As noted in the financial audit for the period 2/1/17-7/31/20, strategic improvements are required in the following business processes :

1. Money collected by sponsors will be turned in daily.
2. Admin secretary will deposit funds collected by the end of the month and before holidays.

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
1. Sponsors will be notified by the Principal the correct financial procedures to remit funds on a daily basis to the school administrative secretary. This notification will be by staff meeting and email.	Principal/Admin Secretary	Email/Staff meeting	Staff will remit funds on a daily basis	Admin Secretary/Principal as needed.	Sponsors will submit funds collected daily.
2. Admin secretary will deposit funds by the last working day of the month and before each weekend or holiday.	Admin	Bank deposit	Admin will deposit funds collected daily	Admin Secretary/Principal as needed.	Money collected will be deposited in a timely manner.

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

OFFICE OF TEACHING, LEARNING, AND SCHOOLS (OTLS) REVIEW & APPROVAL	
<input type="checkbox"/> <b>Approved</b>	<input type="checkbox"/> <b>Please revise and resubmit plan by _____</b>
Comments:	
Director: <u>    <i>Nicole Sosik</i>    </u>	Date: <u>    1/5/2021    </u>