


Internal Audit Unit  
MONTGOMERY COUNTY BOARD OF EDUCATION  
Rockville, Maryland

August 2, 2024

MEMORANDUM

To: Dr. Amy J. Alonso, Principal  
Washington Grove Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period  
May 1, 2021, through June 30, 2024

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 July 25, 2024, meeting with you and Mrs. Michelle A. Robey, school administrative secretary (secretary), we reviewed the prior audit report dated June 16, 2021, 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**

To properly control funds, all cash and checks collected by sponsors for IAF activities must be remitted promptly to the secretary. These funds must then be verified in the presence of the remitter and a receipt that is supported by MCPS Form 280-34, *Independent Activity Fund (IAF) Remittance Slip*, must be issued promptly (refer to the *MCPS Financial Manual*, chapter 7, page 4). In your action plan, you indicated that sponsors would remit funds on a daily basis to the

secretary, and the secretary would make prompt deposits, including on the last working day of the month and before each weekend or holiday. We found instances in which funds were held by the sponsors rather than being remitted daily to the secretary and they were not always promptly deposited into the school's bank account. To minimize the risk of loss and provide availability of funds to meet school needs, all funds collected must be remitted daily to the secretary for prompt deposit.

Montgomery County Public Schools has integrated a School Cash Online (SCO) payment module for managing the IAF in schools. School related activities are required to be made available to parents to purchase online to promote consistency countywide. To reduce the workload of cash handling requirements for sponsors and your secretary, we recommend you follow MCPS directions and begin using SCO for all school activities.

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). We found that sponsors are not providing completed data at the conclusion of each trip, and that the data was not being reconciled to the final account history report. We recommend that all trip sponsors be required to use MCPS Form 280-41, *Field Trip Accounting*, or equivalent, and this data be reconciled by the secretary using the field trip reconciliation form located on the Business Center with remittances recorded in accounts. The use of SCO to record all payments will greatly improve the ability to reconcile all field trips and track which students have paid, were waived, or did not attend.

### **Notice of Findings and Recommendations**

- Funds collected by sponsors must be promptly remitted to the secretary and promptly verified, receipted, and deposited in the bank in accordance with Chapter 7 of the *MCPS Financial Manual* (**repeat**).
- The school must make all activity related items available for purchase on SCO.
- Field trip records prepared by sponsors must provide comprehensive data to account for all students eligible to participate 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 Ms. Nicole A. Sosik, director of school support and improvement, Office of School Support and Improvement, for written approval of your plan. 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 secretary to support you with developing a well-defined plan to address the findings.

MJB:GK:rg

Attachment

Copy to:

Members of the Board of Education

Dr. Taylor

Ms. Alfonso Windsor

Ms. Dempsey

Dr. Johnson

Dr. Moran

Mrs. Williams

Dr. Redmond Jones

Mr. Reilly

Mrs. Chen

Mr. Klausling

Mrs. Ripoli

Ms. Sosik

Ms. Webb

**FINANCIAL MANAGEMENT ACTION PLAN**

**Report Date:**

**Fiscal Year:**

**School:**

**Principal:**

**OTLS  
Associate Superintendent:**

**OTLS  
Director:**

**Strategic Improvement Focus:**

As noted in the financial audit for the period \_\_\_\_\_, 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

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 A. Sosik</i>    </u>	Date: <u>    <i>09/17/24</i>    </u>