


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

October 15, 2020

MEMORANDUM

To: Mrs. Marybeth O. Mantzouranis, Principal
Weller Road Elementary School

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

Subject: Report on Audit of Independent Activity Funds for the Period
October 1, 2017, through August 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 1, 2020, virtual meeting with you; Mrs. Constance M. Lieder, school administrative secretary; and Mrs. Sandra L. Windlan, visiting bookkeeper, we reviewed the prior audit report dated December 8, 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.

Findings and Recommendations

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, or the statement of account landscape report, 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. We found that some cardholders had not promptly prepared the monthly statements, provided description of items purchased, indicated IAF account number when required, attached the purchase receipts, or reviewed the transactions in the online reconciliation program. We also found that the principal had not approved all transactions online. We recommend that action be taken to correct these conditions and bring purchasing card usage into conformity with MCPS requirements

Notice of Findings and Recommendations

- Purchase card transactions must be documented, reviewed, and approved by the principal.

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 Mrs. Jennifer L. Webster, director of learning, achievement, and administration, Office of Teaching, Learning, and Schools. Based on the audit recommendations, Mrs. Webster 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:ABP:lsh

Attachment

Copy to:

Members of the Board of Education

Dr. Smith

Dr. McKnight

Ms. Stratman

Dr. Wilson

Mrs. Ahn

Mrs. Morris

Mrs. Camp

Mrs. Chen

Mr. Marella

Mr. Reilly

Mr. Tallur

Mrs. Webster

Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: 11/25/2020	Fiscal Year: 11/25/2020
School: Weller Road ES - 777	Principal: MaryBeth O. Mantzouranis
OTLS Associate Superintendent: Diane Morris	OTLS Director: Jennifer Webster
<p><u>Strategic Improvement Focus:</u> As noted in the financial audit for the period <u>10/1/17- 8/31/20</u>, strategic improvements are required in the following business processes :</p> <p>Purchase card transactions must be documented, reviewed, and approved by the principal</p>	

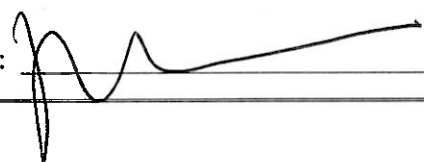
Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Purchasers will use the online reconciliation to review their purchases. Purchasers will also provide descriptions of the items purchased, indicate the IAF account number when required, and will print their landscape report and attach receipts	MaryBeth O. Mantzouranis Connie Lieder Denise J. Fleet	Landscape report with receipts attached	JP Morgan site	Each cardholder by the 5th of the month	Purchases have been reviewed by the 5th of the following month All receipts are attached to the landscape report
The approver will go in by the 10th day of each month to approve the prior month's purchases for all account holders. The approver will ensure the procedures listed above have been followed.	MaryBeth O. Mantzouranis	Landscape Report with receipts attached	JP Morgan site Landscape reports with receipts	MaryBeth O. Mantzouranis	All purchases have been approved by the 10th of the month

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

Approved Please revise and resubmit plan by _____

Comments:

Director: 

Date: 12/1/2020