


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

May 28, 2024

MEMORANDUM

To: Mrs. Audra M. Wilson, Principal
Westover 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 March 31, 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 May 9, 2024, meeting with you; Ms. Debbie A. Hill, school administrative secretary (secretary); and Mrs. Barbara L. Miller, visiting bookkeeper, we reviewed the prior audit report dated June 14, 2021, 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 2009. We recommended that you immediately sign up to take SFT Part I.

Cash and checks collected by sponsors and others for IAF activities must be remitted promptly to the secretary, along with a completed MCPS Form 280-34, *Independent Activity Fund (IAF) Remittance Slip*. 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, pages 4-5). In your action plan, you indicated that staff would remit all funds daily and that the secretary would make daily deposits. We found that at times, staff were holding funds collected during the day and not remitting to the secretary until very late in the afternoon. On some occasions the funds were remitted after the secretary had already gone to the bank for that day. We recommend that staff be required to remit funds to the secretary by an agreed upon cut off time each day in order to give the secretary ample time to verify and receipt funds before depositing in the bank.

Notice of Findings and Recommendations

- Principal must attend SFT Part I.
- Cash and checks (funds) collected by sponsors must be promptly remitted to the secretary and deposited timely (**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 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 Dr. Eugenia S. Dawson, director of school support and well-being, Office of School Support and Well-Being for written approval of your plan. Based on the audit recommendations, Dr. Dawson 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:AMB:rg

Attachment

Copy to:

Members of the Board of Education

Dr. Felder

Mr. Hull

Dr. Johnson

Dr. Moran

Mrs. Williams

Mr. Adams

Mr. Reilly

Mrs. Chen

Dr. Dawson

Ms. Eader

Mr. Klausling

Mrs. Ripoli

Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: 5/9/24	Fiscal Year: May 9, 2024
School or Office Name: Westover ES - 504	Principal: Audra Wilson
OSSWB Associate Superintendent: David Adams	OSSWB Director: Eugenia Dawson

Strategic Improvement Focus:

As noted in the financial audit for the period 5/1/21 - 3/31/24, strategic improvements are required in the following business processes :

Receipting and depositing monies daily and updated training for the principal.

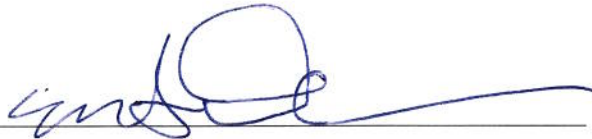
Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Cash and checks remitted by sponsors will be promptly receipted and deposited in the bank by the admin secretary; monies totaling more than \$50 will be deposited daily. No monies will be left over the weekends or holidays. Sponsors will remit all monies for deposit by Noon.	Admin Secretary		Deposit statements	Principal - Monthly	Deposit statements
Principal will take SFT Part I once fall sessions are available.	Principal	SFT PT I training openings	PDO	Principal - Fall	PDO completion transcript

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

OFFICE OF SCHOOL SUPPORT AND WELL-BEING (OSSWB)

Approved Please revise and resubmit plan by _____

Comments:

Director:  Date: 7/19/24