


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

April 11, 2025

MEMORANDUM

To: Mrs. Pamela W. Krawczel, Principal
Wheaton High School

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

Subject: Report on Audit of Independent Activity Funds for the Period
November 1, 2023, through January 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 March 27, 2025, meeting with you; Mrs. Sandra J. Spruill, school business administrator; and Ms. Michelle R. Phang-Oginga, school financial specialist, we reviewed the prior audit report dated December 20, 2023, and the status of the present conditions. It should be noted that your appointment as principal was effective July 1, 2024, and Ms. Phang-Oginga's assignment was effective May 15, 2024. 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

Independent contractors or consultants working in schools must comply with all laws and MCPS requirements set forth in the *Procurement Manual*. MCPS Form 280-49A, *Authorization for Consultant/Independent Contractor (Vendor) Services Paid with Independent Activity Funds (IAF)* is used to document authorization/approval for all consultant/independent contractor services paid with IAF. We found that this form had not been completed for all payments to

independent contractors during our audit period. We recommend that the project manager initiate MCPS Form 280-49A to document the authorization and approval to pay a consultant/independent contractor with IAF (refer to the *MCPS Financial Manual*, chapter 15, page 2).

Use of the MCPS purchasing card must be in accordance with the requirements of the *MCPS Purchasing Card Users 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 principal, with all purchase receipts and invoices attached. The principal must review each cardholder's transactions and approve them by the 10th of the following month, using the online reconciliation program. We found that not all cardholders had reviewed their transactions timely and 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. We further recommend that the principal delegate approval authority to the school business administrator for all cardholders, except herself.

To properly control receipts, cash and checks collected by sponsors for IAF activities must be remitted promptly and intact to the financial agent along with MCPS Form 280-34, *MCPS Remittance Slip*. Cash must be counted in the presence of the remitter, and a receipt that is supported by the remittance slip must be issued promptly. 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 the school's action plan, they indicated that sponsors would be retrained on cash collection procedures and that no late deposits would be the evidence of these action steps. In our sample of receipts, we found instances in which funds were held by sponsors rather than being remitted daily to the financial agent. To minimize the risk of loss and provide assurance that available funds will be fully utilized to meet school needs, all funds collected must be remitted daily to the financial agent and deposited timely.

Notice of Findings and Recommendations

- MCPS Form 280-49A must be prepared and submitted to procurement for approval prior to the start of any work of an independent contractor.
- Purchase card transactions must be documented and reviewed by cardholders, and approved by the principal timely.
- Cash and checks (funds) collected by sponsors must be remitted promptly to the school financial specialist (**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. Joe L. Rubens, Jr., director of school support and improvement, Office of School Support and Improvement, for written approval of your plan. Based on the audit recommendations, Dr. Rubens 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 school administrative secretary to support you with developing a well-defined plan to address the findings.

MJB:BK:rg

Attachment

Copy to:

Members of the Board of Education

Dr. Taylor

Mrs. Alfonso-Windsor

Ms. McGuire

Dr. Moran

Mr. McGee

Mr. Reilly

Ms. Seabrook

Mrs. Chen

Mrs. Gomez

Mr. Klausling

Mrs. Ripoli

Dr. Rubens

Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: April 11, 2025	Fiscal Year: FY25
School or Office Name: Wheaton High School	Principal: Ms. Pamela Krawczel
OSSI Associate Superintendent: Mr. McGee	OSSI Director: Dr. Rubens

Strategic Improvement Focus:

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

The use of MCPS form 280-49A. Timely review and approval of all Pcard purchases. Timely remittance of all funds collected by sponsors.

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
The SBA and SFS will continue to inform all sponsors of the requirement to complete MCPS form 280-49A for all independent contractors. This will be important in FY26 as we hire a new Drama Director.	SBA and SFS	Yearly Staff notifications and reminders	Meet with all event sponsors to review all requirements necessary prior to hiring independent contractors.	SBA and SFS during the initial request to host an event.	All independent contractors will be reviewed and approved prior to any work for Wheaton High School.
Calendar prompts will be created for each Pcard holder to assist in timely reviews and submission of all purchases. Reminders will also be created to keep principal approvals within the required timeframe.	SBA, Pcard Holder, Principal	Outlook calendar reminders	By the 10th of each month the SBA will review all Pcard statements and assist principal with monthly approval.	SBA by the 10th of each month.	Each Pcard statement will be reviewed and signed by the SBA before the 10th of each month. Final approval will be completed before the 10th of each month.
The SBA and SFS will continue to inform all sponsors of the requirement to submit all funds collected on a daily basis.	SBA, SFS, sponsors	Yearly Staff Notifications and reminders	Meet with all sponsors prior to approval of any event requiring funds collection. Stress the need for daily funds collection and submission to the SFS	SBA and SFS will send reminders throughout an event to ask for daily collections	All funds will be submitted daily and deposited to corresponding accounts.

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

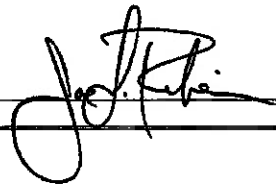
OFFICE OF SCHOOL SUPPORT AND WELL-BEING (OSSWB)

☒ Approved

☐ Please revise and resubmit plan by _____

Comments:

Director: _____



Date: 5/22/25