


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

January 24, 2025

MEMORANDUM

To: Ms. Virginia A. De Los Santos, Principal
White Oak Middle School

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

Subject: Report on Audit of Independent Activity Funds for the Period
March 1, 2023, through October 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 December 20, 2024, meeting with you, and Mrs. Vanessa Lizana, school financial specialist, we reviewed the prior audit report dated April 12, 2023, and the status of the present conditions. It should be noted that Ms. Lizana's assignment as school financial specialist was effective July 9, 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

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 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. In your action plan, you indicated that all cardholders would submit a statement by the 5th of each month and that you would have your assistant principal approve all transactions online. We found that transactions were not approved online by either you or the assistant principal. We recommend that action be taken to correct this condition and bring purchasing card usage into conformity with MCPS requirements.

Findings and Recommendations

- Purchase card transactions must be documented, reviewed, and approved in the online program by the principal or delegated administrator (**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 Mr. Robert W. Dodd, director of school support and improvement, Office of School Support and Improvement, for written approval of your plan. Based on the audit recommendations, Mr. Dodd 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 financial specialist 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
Ms. Alfonso-Windsor
Ms. McGuire
Dr. Moran
Mrs. Williams
Dr. Redmond Jones
Mr. Reilly
Mrs. Chen
Mr. Dodd
Mr. Klausing
Mrs. Ripoli
Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: January 24, 2025

Fiscal Year: FY25

School or Office Name: White Oak Middle School

Principal: Virginia de los Santos

VAD 2-24-25

OSSI

Associate Superintendent: Dr. Donna Redmond Jones

OSSI

Director: Mr. Robert W. Dodd

Strategic Improvement Focus:

As noted in the financial audit for the period 3/1/23-10/31/24, 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
Purchase card transactions must be documented, reviewed, and approved in the online program by the principal or delegated administrator.	Virginia de los Santos	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	Virginia de los Santos (by the 10th of the month) & Vanessa Lizana (by the 5th of the month)	Reports will be reviewed, signed & collected monthly and secured in their respected folders.
			Monthly statements will be printed and provided to the approver with all purchase receipts and invoices attached	ongoing monthly as well.	
			The approver will review each card's transactions by the 10th of the following month, using the online reconciliation program		

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

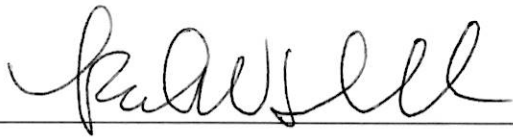
OFFICE OF SCHOOL SUPPORT AND WELL-BEING (OSSWB)

☒ **Approved**

☐ **Please revise and resubmit plan by _____**

Comments:

Director:



Date:

3/31/25